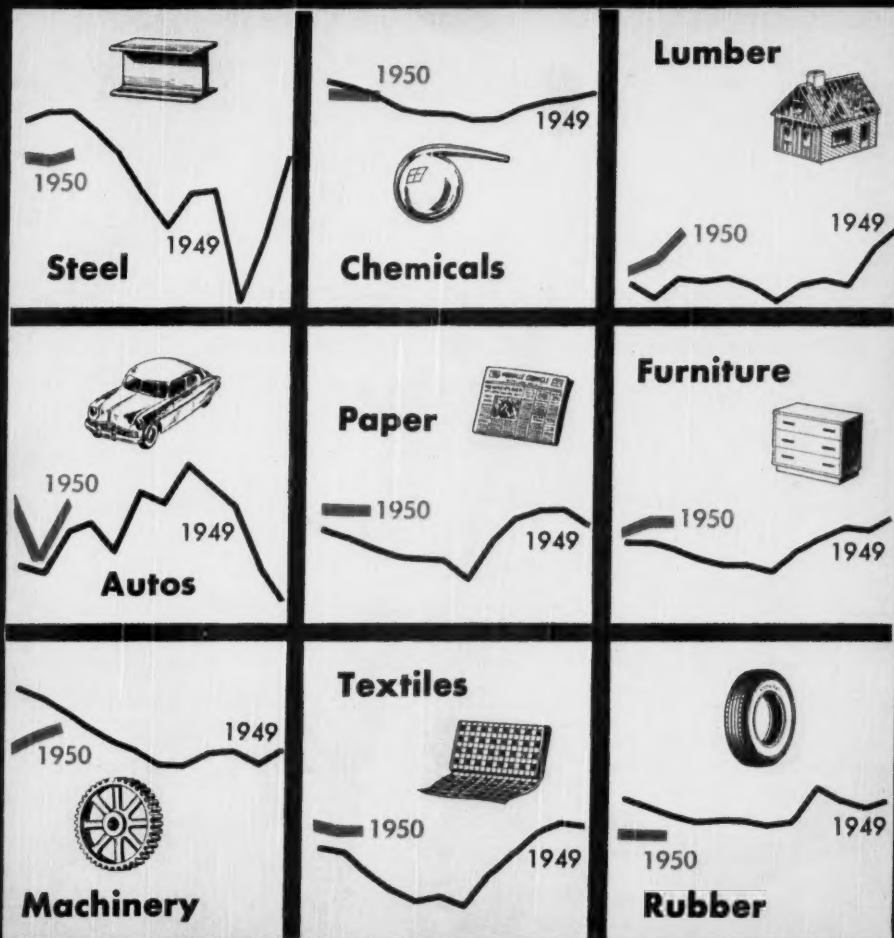
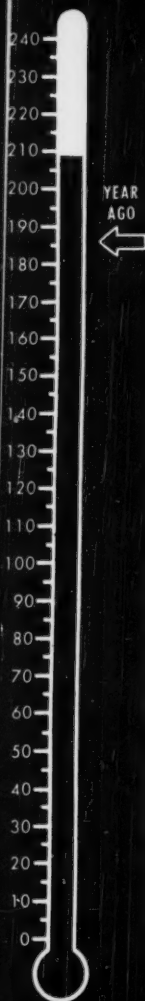


BUSINESS WEEK

Boom Is Breaking
Out All Over — PAGE 19



Industrial Production: 1950 pulls out of the 1949 trough (page 19)

A MCGRAW HILL PUBLICATION

JUNE 3, 1950

TWENTY-FIVE CENTS

"Those machines build profits in TWO ways!"



NATIONAL MECHANIZED ACCOUNTING ① CUTS COSTS ② GIVES MONEY-MAKING INFORMATION

A man's business judgment is only as good as his business information! National Accounting Machines enable you to get more *money-making information* about your business—facts you've never had before.

They also effect *direct savings* in accounting costs—savings which often repay the investment within a year.

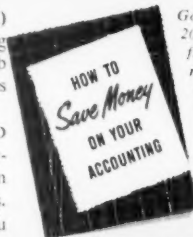
A capital investment that materially *reduces expenses*, and also *increases your earning power*, is doubly justified.

Thousands of small concerns use one

MULTIPLE-DUTY machine (in foreground) to handle *all* their accounting—including payroll—changing in *seconds* from one job to another. Large concerns use batteries of these machines on specific jobs.

Many firms also use the SPECIALIZED machine (in background), with its 20 Payroll totals and 42 Analysis Distribution totals, to cut costs where volume warrants.

Have our local representative show you in actual figures what *you can save* with National Mechanized Accounting.

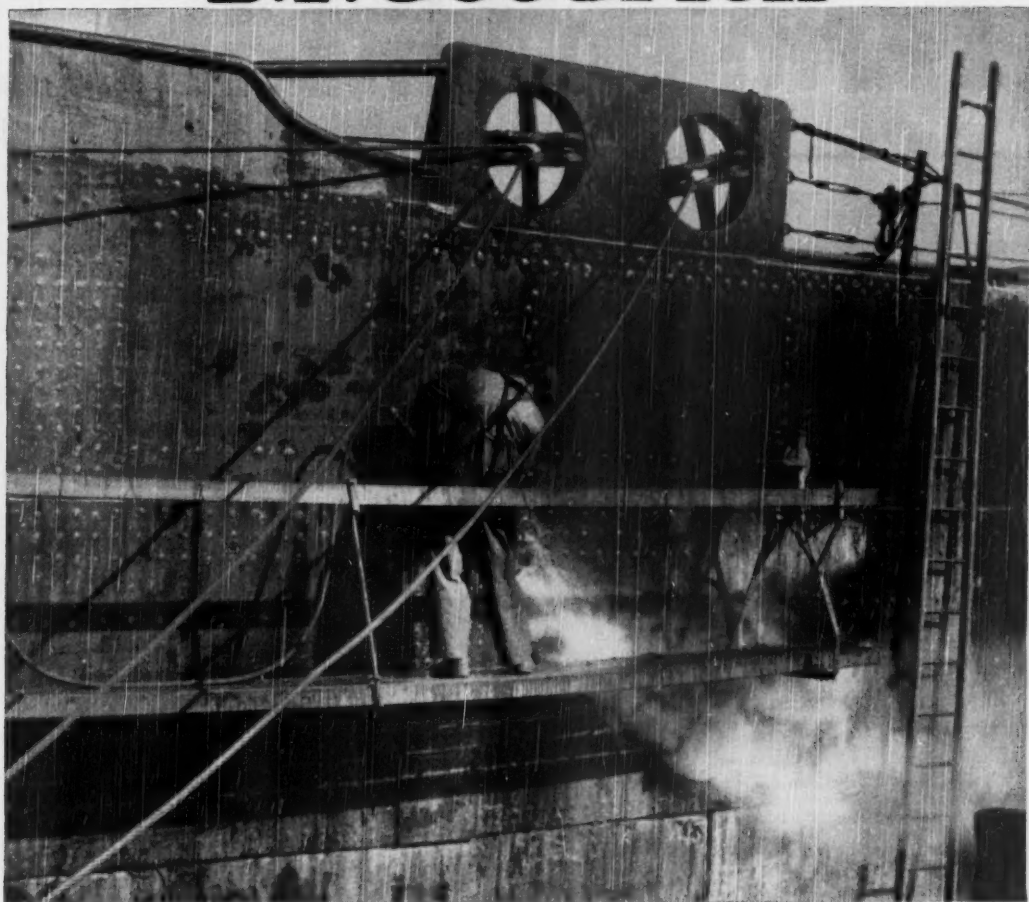


Get this **FREE** 20-page booklet from our local representative, or write to the Company at Dayton 9, Ohio.

THE NATIONAL CASH REGISTER COMPANY

National

B.F. Goodrich



Scalding steam skins a ship

A typical example of B. F. Goodrich improvement in rubber

A WORKMAN who has had steam hose blow up in his hands never forgets it. Especially when he works on a scaffold, like this man steaming 40 coats of paint off a ship. If the hose burst, he'd be lucky to get out of the way without a serious burn or fall.

The manufacturer of the steam cleaner wanted a safe hose, a hose that couldn't burst, no matter how high the pressure, how hot the steam. Ordinary steam hose had failed because its cotton fabric charred with heat, weakening the hose.

They called in the B. F. Goodrich

distributor and found that B. F. Goodrich engineers had developed a burst-proof steam hose. They had used braids of strong steel wire—more than 5 miles per 50 feet—built right in with the rubber. They had developed a new heat-resisting rubber lining flexible enough to stand constant bending yet strong to stand the hot steam. Tested under constant heat and pressure the new hose lasted two or more times as long as other types.

B. F. Goodrich burstproof steam hose was put to work on the steam

cleaner. Not one single length has ever burst; cutting costs for both manufacturer and user and making it safe for workers to do jobs with steam.

This is a typical B. F. Goodrich product—improved by research to save you money. When there are jobs to be done with hose, belting and other industrial rubber products, call your B. F. Goodrich distributor. *The B. F. Goodrich Company, Industrial and General Products Division, Akron, Ohio.*

B.F. Goodrich
FIRST IN RUBBER

Farming Like This..



The Schmidt brothers are partners. On their 320-acre farms each feeds 220 steers a year to produce 240,000 pounds of beef, and 400 hogs, or 80,000 pounds of pork. They divide their best animals for marketing.



"Two heads are better than one in feeding livestock," the Schmidts believe, and joint planning brings them top prices. With Chicago 180 miles away, they can decide to ship at noon and have buyers bidding on prime animals in the stockyards next morning.

Growing world-beating steaks is the business of George and Ferd Schmidt, Country Gentleman subscribers of Iowa. Their steers have been International Grand Champion Carlot 6 times; their beef has brought an open market record price of \$43.50 a hundredweight.



Their farms only 9 miles apart, the Schmidts share \$40,000 worth of machinery. Each has big barns and service buildings that are models of efficiency. Hard work and smart farming in partnership has brought good living to both brothers' families.

The best people in the Country

turn to Country Gentleman for Better Farming, Better Living

Brings Good Living Like This ✓



When the George Schmidts remodeled the original Schmidt home, this modern new kitchen was installed. The 9-room house also got electricity, running water, automatic heat, tile bath. Both Schmidt wives are good cooks, taking farmwife pride in "setting a good table."



The Ferd Schmidts have built a new brick house with picture window, hardwood floors, complete insulation. Appliances include electric ironer, water softener, freezer, automatic coal stoker. In the big living room there is a piano and record player.



The well-run Schmidt farms provide plenty of leisure time for family recreation. Here they watch color movies taken by George Schmidt's son, Bob, on trips to Nebraska and Wyoming. Youngsters are active in 4-H work and get expert help in livestock projects.



Both Schmidt homes are hospitable meeting places for local women's clubs. Life for the Schmidt wives also includes dances and parties . . . travel on visits and shopping trips to Chicago and nearby towns . . . or going to see their children play football and basketball.

**Country
Gentleman**

The story of the Schmidts, appearing in *Country Gentleman's* June issue, will be read in 2,300,000 homes—a nationwide audience of prosperous people rated by neighborhood dealers as their best rural customers.

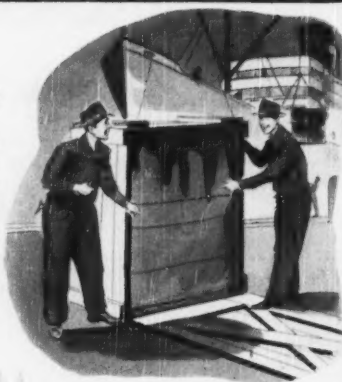
interesting facts

RUST PREVENTIVES • WATER TREATMENT

BATHED IN CORROSIVE SEA WATER

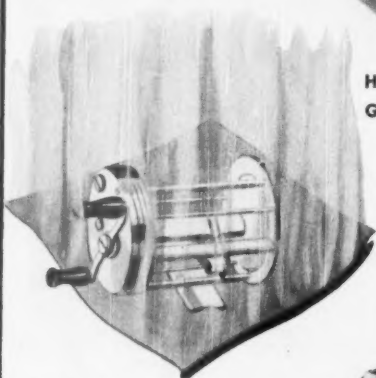
...but safe from rust

The cigarette-making machines invariably arrived at foreign ports coated with rust. NO-OX-IDized Wrapper—a dense, chemically-treated and laminated fabric—was then specified to encase the entire machine. NOW shipments arrive in perfect shape although the tops of the cases are often covered with corrosive sea water several inches deep.



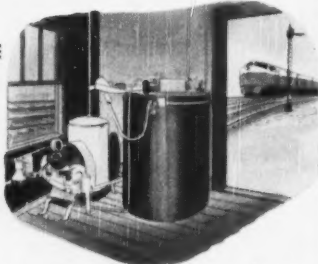
HOW A magic vapor GUARDS METAL SURFACES

VPI is a specially coated paper that almost magically exudes an invisible vapor that dissolves in any absorbed or condensed moisture on a metal surface, renders it non-corrosive. Ideal for packaging large or small precision parts or products during shipment or storage.



DEARBORN SET-UP KEEPS THE diesels cool

Dearborn Formula 517 renders Diesel engine cooling water non-corrosive. Here is a typical Dearborn set-up, mechanically operated by a small air-cooled motor, serves four railroads from a single terminal.



Whether you operate an industrial or processing plant . . . a utility or a pipe line . . . a railroad or a steamship line . . . Dearborn's specialized experience in water treatment and rust prevention is available to help you conduct your business more efficiently, more economically.

Dearborn

TRADE MARK REGISTERED

THE LEADER IN RUST PREVENTIVES
AND BOILER WATER TREATMENT

DEARBORN CHEMICAL COMPANY, General Offices: 310 S. Michigan Ave., Chicago 4, Ill.

Canadian Branch: Dearborn Chemical Company, Ltd., 2454 Dundas St. West, Toronto

Offices in: Los Angeles Cincinnati Denver Indianapolis Tulsa San Francisco Agents: In principal cities
New York Pittsburgh Detroit Philadelphia St. Louis Shreveport around the world

BUSINESS WEEK

BOARD OF EDITORS

CHAIRMAN & PUBLISHER, Elliott V. Bell

EXECUTIVE EDITOR Kenneth Kramer

MANAGING EDITOR Edgar A. Grunwald

ASST. MANAGING EDITOR Robert B. Colborn

ASSOC. MANAGING EDITORS

Proctor Melquist John L. Cobbs

DEPARTMENT EDITORS

Business Outlook, Clark R. Pace • Finance, William McKee Gillingham • Foreign, Howard Whidden • Illustration, Jacquelyn Judge • Industrial Production, John Sasso • Labor, Merlyn S. Pitzele • Law, Joseph A. Gerardi • Marketing, James C. Nelson, Jr. • Regional Reports, Richard M. Machol • Agriculture, Arthur L. Moore

EDITORIAL ASSISTANTS

J. P. Chamberlain (Asst. Finance Editor), Jean Drummond, Mary Flaherty, William B. Franklin, Charles M. Garvey, John Hoffman, Mary Maguire, Paul Miller, Jr., Arthur Richter, Carl Rietz (Asst. Marketing Editor), Edward T. Townsend (Asst. Labor Editor), Doris I. White • Statistician, Gertrude Charlott • Librarian, Mildred L. Washburn

NEWS EDITORS

Stanley H. Brown, Cora Carter, Frank J. Fogarty, John Harshbarger, Guy Shipley, Jr. • Photography, Dick Wolters

ECONOMICS STAFF

Dexter M. Keezer, William F. Butler, Peter French, Robert P. Uhn, Stanislaw H. Wellisz

DOMESTIC NEWS SERVICE

Chicago Bureau, James M. Sutherland, Mary B. Stephenson, Dorothy Miller • Cleveland Bureau, Robert E. Cochran • Detroit Bureau, Stanley H. Brans, James C. Jones, Jr. • Los Angeles Bureau, Thomas M. Self • San Francisco Bureau, Richard Lamb, Mardell Burns • Washington Bureau, George W. Bryant, Jr., Glen Bayless, Carter Field, Joseph Gambatese, Seabrook Hall, Louise Jacobson, Sam Justice, John L. Kent, Donald O. Loomis, Nathaniel McKitterick, Gladys Montgomery, Seymour Nagan, Caroline Robertson, Ron Ross, Vincent Smith • Correspondents: Akron, Albuquerque, Atlanta, Baltimore, Bangor, Birmingham, Boston, Buffalo, Charlotte, Cincinnati, Columbus, Dallas, Denver, Des Moines, Houston, Indianapolis, Kansas City, Knoxville, Louisville, Madison, Minneapolis, Miami, Minneapolis, New Orleans, Norfolk, Oklahoma City, Omaha, Philadelphia, Pittsburgh, Portland, (Ore.), Providence, Richmond, Rochester, Salt Lake City, San Diego, Seattle, St. Louis, Spokane, Topeka, Tucson, Wichita, Wilmington, Honolulu

FOREIGN NEWS SERVICE

Editor, Russell F. Anderson • London, Frederick Brewster • Paris, Reynold France • Frankfurt, John Christie • Mexico City, John Wilhelm • Mexico, Andrew Steiger • Tokyo, Alpheus Jessup • Melbourne, Herbert Leopold • Bombay, Philip Creswell • Rio de Janeiro, Joseph Van Denburg, Jr. • Buenos Aires, Herbert M. Clark • Correspondents: Amsterdam, Bangkok, Batavia, Bogota, Cairo, Caracas, Copenhagen, Geneva, Johannesburg, La Paz, Lima, Manila, Milan, Montevideo, Ottawa, Prague, Santiago, Shanghai

ADVERTISING & BUSINESS MANAGER

Herman C. Sturm

BUSINESS WEEK • JUNE 3 • NUMBER 1083

(with which are combined The Annalist and the Magazine of Business) • Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw (1860-1948), Founder • Publication Office 99, 100 North Broadway, Albany, N. Y. • Editorial and Executive Offices, 1221 W. 42nd St., New York 18 • Curtis W. McGraw, President; Willard Cheever, Executive Vice-President; Joseph A. Gerardi, Secretary and Treasurer; Paul Montgomery, Senior Vice-President, Publications Division; Nelson Bond, Vice-President and Director of Advertising.

Address correspondence regarding subscriptions to J. E. Blackburn, Jr., Vice-President and Director of Circulation, Business Week, 99-129 N. Broadway, Albany, N. Y., or 350 West 42nd St., New York 18. Allow ten days for change of address.

Subscriptions to Business Week are solicited only from management-men in business and industry. Position and company connection must be indicated on subscription orders.

Single copies 25¢. Subscription rates—United States and possessions \$6.00 a year; \$12.00 for three years. Canada \$7.00 a year; \$14.00 for three years. Pan American countries \$10 a year; \$20.00 for three years. All other countries \$20 a year; \$40.00 for three years. Entered as second class matter Dec. 4, 1936, at the Post Office at Albany, N. Y., under Act of Mar. 3, 1879. • Printed in U. S. A. Copyright 1950 by McGraw-Hill Publishing Co., Inc.—All Rights Reserved.

BUSINESS WEEK • June 3, 1950

THE MAN WITH A CLOCK WHERE HIS MIND SHOULD BE!

by Mr. Friendly



I laughed and the man said, "What's so funny?
Time is money!"

A minute was worth 50 dollars to him

And he found it quite grim

To look at a sunset 3 minutes a day.

"A hundred and fifty dollars ain't hay!"

So I said, "In the time it takes you to shave

I can help you to save

1000 beautiful minutes . . . or

Fifty thousand bucks and more!

"AMERICAN MUTUAL," said Mr. Friendly, speaking like a telegram, "GIVES CHANCE SAVE 20% THROUGH DIVIDENDS. HELPED HUNDREDS INDUSTRIES CUT COSTLY ACCIDENTS . . . REDUCED PREMIUM COSTS SOME CASES 50% BELOW AVERAGE RATE. SAVED SOME COMPANIES HALF MILLION IN FEW YEARS. SIGN, DOTTED LINE."

The man signed up and his savings were tremendous,

And his gratitude was really stupendous . . .

He thanked us 2 minutes, and the cost was immense,

One hundred dollars and no/100 cents!



AMERICAN MUTUAL

The first American liability insurance company

© 1950, AMERICAN MUTUAL LIABILITY INSURANCE COMPANY

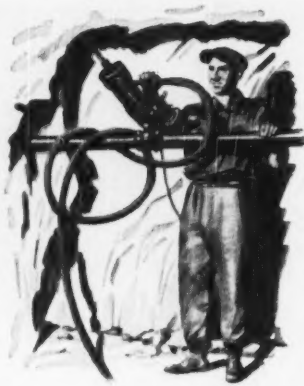


FREE!... BOOKLET ON HOW TO BE YOUR OWN INSURANCE EXPERT! Learn how to save on your present policies. Learn how to about foolproof protection. Send for free copy of "The All-American Plan for free Business" or "The All-American Plan for the Home." American Mutual Liability Insurance Co., Dept. B-74, 142 Berkeley St., Boston 16, Mass. Branch offices in 77 cities. Consult classified Telephone directory.

Where in the world...



1... does a type of ivory, known as vegetable ivory, grow on palm trees?



2... are the world's richest gold and diamond mines?



3... were amber and glass ornaments traditionally worn to avert evil?



4... do natives use tools made of jade?

The countries represented here are scattered far and wide — yet they are no farther away than the nearest telephone. In fact, you can reach almost any place in the world from your home or office! If you have business in other countries — or if you want to talk with some dear friend or relative across the ocean, just pick up your telephone. Say to the Long Distance operator: "I want to make an overseas call." The cost is surprisingly low.

1. Ecuador 2. Union of South Africa 3. Spain 4. New Zealand

BELL SYSTEM OVERSEAS TELEPHONE SERVICE



Highlights In This Issue

Everywhere You Look: Boom

• 1950 is now matching or beating boom year 1948 in industrial production, construction, employment. But unemployment is higher. P. 19

Stockholders Take a Ride

• New York Central runs a Stockholders' Special to annual meeting. Result: They had the best stockholder turnout ever. P. 22

Theater in a Hotel

• Hotels find they can turn losses into profits by turning night clubs into arena theaters. P. 31

Less Waste Horsepower

• New Wright compound engine puts exhaust gases to work, boosts engine power. P. 40

How Business Has Grown

• Summary of the 1949 Census of Business is now available. It shows exactly how retailing and wholesaling have changed since prewar. P. 60

Oldest Corporation

• Oldest in the Western Hemisphere, it's also largest and wealthiest of its kind. It's Harvard College. This week, it celebrates its 300th birthday. P. 72

Stalin's Grip on China

• It is real and it is tightening. Chinese Communists are being compelled to dump their own plans and adopt Moscow's. P. 101

THE DEPARTMENTS

Book Review	35
Business Abroad	101
Business Outlook	9
Entertainment	31
Finance	72
International Outlook	99
Labor	84
Marketing	60
The Markets	82
New Products	50
Production	40
Taxes	56
The Trend	108
Washington Outlook	15



"Who wants worms?"

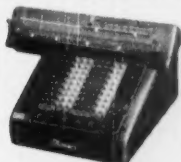
This early bird has our sympathy. Worms, even with French dressing, never appealed to us either. Maybe we're just spoiled. Like figure workers who know that when they *do* get out of bed, they'll more than make up lost time with efficient, fast, effort-saving Monroes. What's more, as any figure-minded bird can tell you, Monroe makes a model for every figuring or accounting job. Now fly . . . fly away to your Monroe.

MONROE MACHINES FOR BUSINESS

Monroe Calculating Machine Company, Inc., General Offices, Orange, N. J.



Monroe solves your figuring and accounting problems . . . a model to meet every need!



Monroe **CALCULATING** Machine
FULLY AUTOMATIC! For high speed, economical figuring. Simple and easy to operate, yet compact, desk size. And of course it has Monroe "Velvet Touch."[®]



Monroe **ADDING** Machine
RHYTHM-ADD! Operators rave about the effortless speed of Rhythm-add, give credit to Monroe design, "Velvet Touch"[®] keyboard, and glareless cushion-top keys.



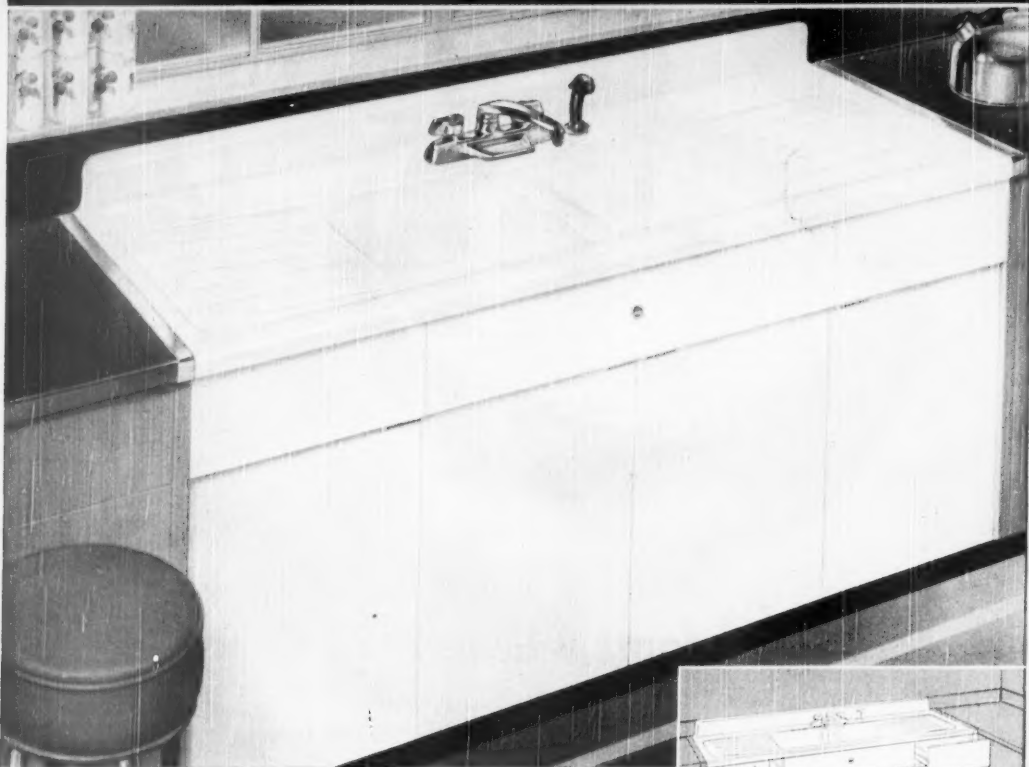
Monroe **ACCOUNTING** Machine
VERSATILE! A multi-purpose bookkeeper that handles several kinds of jobs. Like all Monroes, its "Velvet Touch"[®] is one reason operators who know prefer Monroe.

"VELVET TOUCH"[®] originated in 1935 to describe Monroe's matchless ease of operation.

Every Monroe is sold only through Monroe-owned branches; serviced by Monroe's factory-trained organization.

AMERICAN-Standard

First in heating . . . first in plumbing



Kitchen Cinderella

● Look what's happened to the kitchen sink.

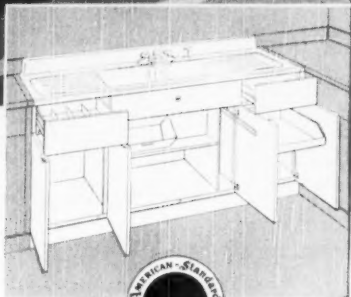
All dressed up in a brand-new cabinet, it has, almost overnight, become the glamour girl of sink society—this Royal Hostess by American-Standard.

But the craftsmen who designed this good-looking, smooth-front unit were thinking of more than beauty. The big idea was to create modern sink and cabinet combinations that housewives would welcome for what they would do in a chore-saving way, as much as for how they would look.

The sinks—with gleaming new fittings—are from the long famous

Hostess line. Made of rigid cast iron heavily finished in acid-resisting enamel, they are sturdy, quiet and easily cleaned. The streamlined steel cabinets are especially designed to provide lots of storage room and are fitted with just about every modern convenience anyone could want.

While there's much that's striking and new about American-Standard sink and cabinet combinations, there's nothing unusual about their quality materials and superb workmanship. A *heaping measure* of both has been going into everything American-Standard makes! That's why Ameri-



LOOK FOR THIS



MARK OF MERIT

can-Standard Heating Equipment and Plumbing Fixtures continue to enjoy the enthusiastic acceptance of those who buy or specify—whether for residential, commercial, industrial or institutional use. **American Radiator & Standard Sanitary Corporation**, Dept. BW-60, Pittsburgh 30, Pennsylvania.

BUSINESS OUTLOOK

BUSINESS WEEK

JUNE 3, 1950



Booming business has pushed most price averages above year-ago levels. That may or may not be good. But it is at least significant.

Among the last to break through was the all-inclusive wholesale index compiled by the Bureau of Labor Statistics. It now stands at 156.1, just nudging ahead of last year's 156.0.

The index has risen four points in six weeks. That may not sound like much, but it's quite a gain for this slow mover.

Wholesale prices very likely do not reflect fully the rises in primary markets. The latter tends to lead while the wholesale index lags.

The BLS index of 28 basic spot commodities, a sensitive fast mover, went ahead of a year ago some weeks back. It's up 8% in two months.

Prices are an important business indicator mainly as they signal the aggregate attitude of industry on inventories.

There had been a little inventory building in softgoods even before this price rise started. However, that buying didn't seem to have much effect on the price structure.

Hardgoods people began adding to stocks in April. Operations were up, so they needed more inventory to stay even (BW-May13'50,p19). They probably would have bought more if they could have got the stuff.

Prices responded quickly to hardgoods manufacturers' buying. The recent steady rise, moreover, says this buying is still going on.

Steel-making scrap is playing a leading role in the price rise.

Iron Age's composite for steel scrap started this week at \$37.25. That's up \$3.08 a gross ton in a week, and \$11 so far this year.

Demand for steel scrap can't be traced entirely to the mills. This scrap is one of the currencies of conversion deals.

A manufacturer desperately in need of steel sometimes can get it if he can present an equal weight of scrap. Thus he may be willing to pay a little premium for scrap to get steel at the mill's basic price. It's cheaper than out-and-out premiums on the steel itself.

Look for a decline in demand for steel scrap some weeks before the mills feel any slackening in customers' demand for steel.

It happened early in 1949, and it will happen again this time.

Here's an oversimplified picture of what goes on. Steel users, trying to build inventory, besiege the mills. They try conversion deals and other make-shifts. Then, one day, steel deliveries become more regular, allocations more liberal.

Right then, they stop buying scrap for conversion. Scrap prices dip.

But they don't cut buying from the mill. So steel output holds up, even though scrap, normally a barometer, is dropping.

Steel demand falls only after all hands have enough; it's at that point that users begin to cut mill orders.

The importance of the housing boom to other lines, often reiterated, can hardly be stressed enough. The last few days brought news from four different industries that emphasizes this.

Output of household refrigerators broke all records in March. It was

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK
JUNE 3, 1950

25% above April, 1941, the previous high. Manufacturers added 31,000 workers in the first quarter, the Bureau of Labor Statistics notes.

Furniture shipments in April topped dollar volume a year ago by 28%, according to Seidman & Seidman, accountants for the industry.

Daily output of TV sets held the high level set in March.

Factory sales of household washers in April topped 1949 by 73%.

•
There seems to be no stopping this boom (page 19). But it is bound to level off some day—even if it doesn't turn down.

Thus it's a good idea to have an eye peeled for any change.

Here's a straw in the wind: Manufacturers' new orders, up sharply early in the year, were down 10% in April. In fact, value of shipments topped incoming orders for the first time this year.

Of course, the drop in new orders may be a fluke. Figures for May won't be ready until late this month. But the trend bears watching.

•
Business has a vitality that is surprising. It has kept on rising in the face of sinking farm income and declining net exports. That, by previous experience, is all but impossible.

Exports in the first quarter of 1949 topped imports by \$1½-billion. This year, the excess was only \$500-million. That lops \$1-billion off total demand for U. S. goods—or \$4-billion at an annual rate.

Farmers' cash income was down to \$27½-billion last year from a peak above \$30-billion. This year will probably see a drop to \$25-billion.

Of course, the farm market hasn't shrunk that much. The farmer always buys on credit, and he will again. Besides, he can dip into the richest hoard of liquid resources he has ever possessed.

•
One clue to the size of the farm market: Fertilizer sales in April were the highest ever—1,522,526 tons against 1,209,013 a year earlier. For the four months, sales were just a shade under 1949.

•
There would be a lot more grain in this country to add to surpluses (page 25) if it weren't for feeding our erstwhile enemies.

We shipped nearly 200-million bu. of grain and grain products to Germany and Japan in the first 10 months of the waning crop year. That was about 47% of total grain exports.

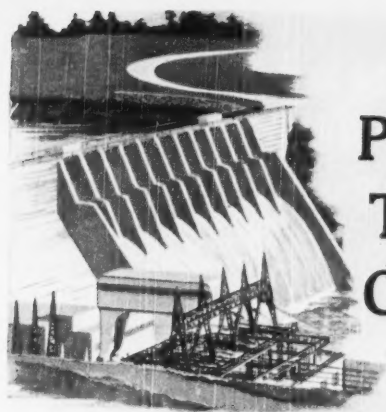
•
Rising demand for petroleum products and shrinking stocks in storage will bring a good jump in domestic crude oil output this month.

Producing states have boosted June allowables more than 200,000 bbl. daily. This will bring the daily total to 5¼-million bbl.

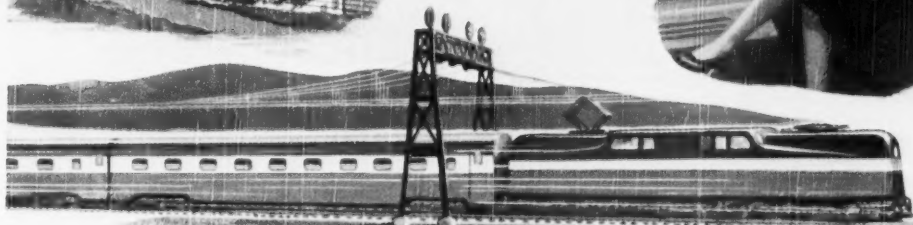
That's still considerably below capacity. We produced 5,659,000 bbl. daily in the peak week of 1948. Besides, extensive—and expensive—exploration has brought in a lot of new capacity since 1948.

•
Factories won't provide as many jobs this year as during the 1948 peak (15,617,000 in October). But they'll run well ahead of 1949.

Durable goods manufacturers added about 200,000 workers in the first four months of this year. That more than offset a dip in nondurables.



From Power Plant To Porter's Call Bell...



*Mallory Electrical Contacts serve the nation's railroads
with "right-the-first-time" performance!*

Speeding across country in air-conditioned comfort at 80 miles an hour or more has become a commonplace of modern railroading. But behind the scenes—responsible for your comfort, speed and safety—is an unbelievably intricate maze of automatic controls and devices. Most of these depend upon the positive action of electrical contacts in opening and closing electrical circuits.

The variety of applications for contacts is almost endless, with a wide range in impact frequency and with electrical loads as high as 200,000 amperes. The Mallory laboratories have been responsible for formulating Elkonite* and a whole family of other special contact alloys, providing the wide range of hardness,

conductivity and heat resistance required for railroad service.

Mallory leadership as a manufacturer of contacts stems from the same source which has been responsible for Mallory contributions in numerous other industries—a unique combination of research and production facilities embracing the fields of metallurgy, electronics and electro-chemistry.

Mallory creative engineering and experience in manufacturing precision components have helped many companies in improving products and reducing costs. If you have a design or production problem that falls within the scope of Mallory activities, it will pay you to call on Mallory now!

*Reg. U. S. Pat. Off.

MALLORY

SERVING INDUSTRY with Capacitors • Contacts • Controls •
Rectifiers • Switches • Vibrators • Power Supplies •
Resistance Welding Materials • Special Non-Ferrous Alloys
Mallory Dry Batteries, The Original Mercury Batteries

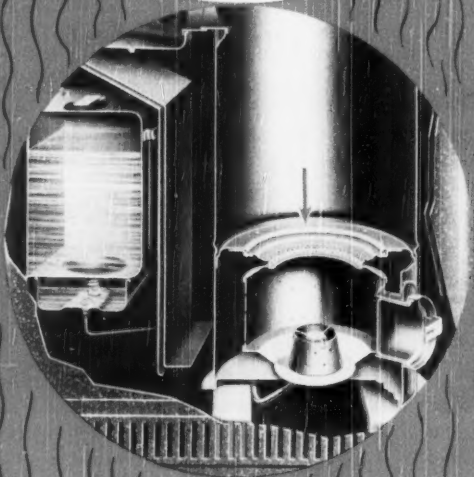
P. R. MALLORY & CO., Inc., INDIANAPOLIS 6, INDIANA

SHARON STAINLESS Provides the Answers For Range and Stove Builders

Many range builders are finding Sharon Stainless ideal for all trim, but especially that trim that rings the burners. Sharon Stainless remains bright and shiny, easy-to-clean year after year under constant usage. Burner trim rings of Sharon Stainless resist discoloration and warp regardless of heat generated by range. These factors add up to *higher quality and stronger sales ammunition.*

For baffles, burner bowls and combustion chambers, stove and heater builders have added years of life to their products by switching to Sharon Quality Stainless. Sharon Stainless is especially heat resistant. It will not deteriorate under the hottest temperatures. And what's more, Sharon Stainless withstands rapid and extreme changes of temperature—a perfect metal for manufacturers who must contend with heat and cold.

Why not examine your product. Think of Stainless, and when you do—think of Sharon, pioneer and prime producer of fine steels for almost 50 years. If you would like engineering help or fabrication information, let us know. No obligation, whatsoever.



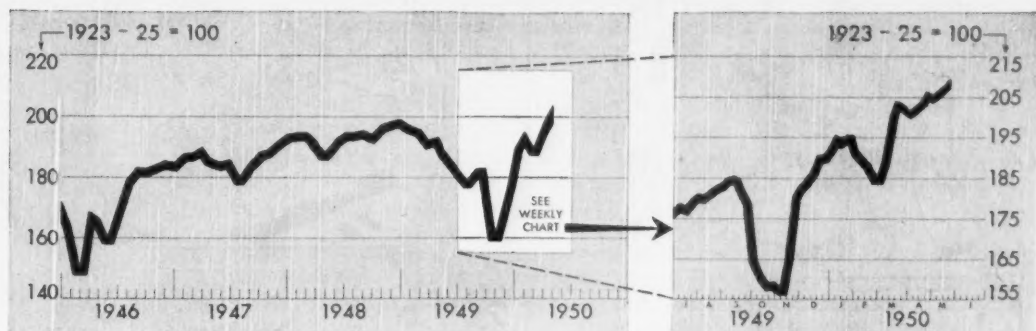
SHARON STEEL CORPORATION

Sharon, Pennsylvania

SUBSIDIARY COMPANIES OF SHARON STEEL CORPORATION: THE NILES ROLLING MILL COMPANY, NILES, OHIO; DETROIT TUBE AND STEEL DIVISION, DETROIT, MICHIGAN; BRAINARD STEEL COMPANY, WARREN, OHIO; SHARONSTEEL PRODUCTS COMPANY, DETROIT, MICHIGAN; AND FARRELL, PENNA.; CARPENTERTOWN COAL & COKE CO., MT. PLEASANT, PENNA.; FAIRMONT COKE WORKS, FAIRMONT, W. VA.; MORGANTOWN COKE WORKS, MORGANTOWN, W. VA.; JOANNE COAL COMPANY, RACHEL, W. VA.

DISTRICT SALES OFFICES: CHICAGO, ILL.; CINCINNATI, O.; CLEVELAND, O.; DAYTON, O.; DETROIT, MICH.; INDIANAPOLIS, IND.; MILWAUKEE, WIS.; NEW YORK, N. Y.; PHILADELPHIA, PENNA.; ROCHESTER, N. Y.; LOS ANGELES, CALIF.; SAN FRANCISCO, CALIF.; ST. LOUIS, MO.; MONTREAL, QUE.; TORONTO, ONT.

FIGURES OF THE WEEK



Business Week Index (above)

PRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
Steel ingot operations (% of capacity).....	101.5	101.8	100.2	91.8	97.3
Production of automobiles and trucks.....	183,670	175,314	148,274	117,703	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$38,566	\$38,798	\$34,709	\$26,326	\$19,433
Electric power output (million kilowatt-hours).....	5,894	5,845	5,902	5,270	3,130
Crude oil and condensate (daily average, 1,000 bbls.).....	4,993	5,117	5,014	4,951	3,842
Bituminous coal (daily average, 1,000 tons).....	1,591	1,662	1,863	1,869	1,685

TRADE

Miscellaneous and l.c.l. carloadings (daily average, 1,000 cars).....	72	169	75	71	86
All other carloadings (daily average, 1,000 cars).....	52	50	46	58	52
Money in circulation (millions).....	\$26,908	\$26,980	\$26,962	\$27,367	\$9,613
Department store sales (change from same week of preceding year).....	-2%	+8%	+5%	-5%	+17%
Business failures (Dun & Bradstreet, number).....	214	199	186	206	228

PRICES (Average for the week)

Cost of Living (U. S. Bureau of Labor Statistics, 1935-1939 = 100), Apr. 1950.....	167.3	167.0	169.7	105.2
Spot commodity index (Moody's, Dec. 31, 1931 = 100).....	390.0	387.9	369.2	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)....	234.4	1230.4	221.8	223.3
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)....	327.9	325.5	314.3	293.4
Finished steel composite (Iron Age, lb.).....	3.837e	3.837e	3.837e	3.705e
Scrap steel composite (Iron Age, ton).....	\$37.25	\$34.17	\$31.08	\$21.75
Copper (electrolytic, Connecticut Valley, lb.).....	20.500e	20.500e	19.500e	17.625e
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$2.26	\$2.30	\$2.31	\$2.24
Sugar (raw, delivered New York, lb.).....	5.74e	5.70e	5.67e	5.84e
Cotton (middling, ten designated markets, lb.).....	33.50e	33.07e	32.73e	32.54e
Wool tops (New York, lb.).....	\$1.990	\$1.983	\$1.868	\$1.565
Rubber (ribbed smoked sheets, New York, lb.).....	30.45e	128.75e	25.48e	16.89e

FINANCE

90 stocks, price index (Standard & Poor's Corp.).....	148.5	148.2	143.6	114.0
Medium grade corporate bond yield (Baa issues, Moody's).....	3.26%	3.25%	3.24%	3.45%
High grade corporate bond yield (Aaa issues, Moody's).....	2.62%	2.61%	2.60%	2.72%
Call loans renewal rate, N. Y. Stock Exchange (daily average).....	11-11%	11-11%	11-11%	11-11%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate).....	11-11%	11-11%	11-11%	11-11%

BANKING (Millions of dollars)

Demand deposits adjusted, reporting member banks.....	47,389	146,933	47,149	46,383
Total loans and investments, reporting member banks.....	66,986	166,689	66,514	62,281
Commercial and agricultural loans, reporting member banks.....	13,359	113,377	13,475	13,628
Securities loans, reporting member banks.....	2,314	2,276	2,427	2,131
U. S. gov't and gov't guaranteed obligations held, reporting member banks.....	36,394	136,251	35,922	34,145
Other securities held, reporting member banks.....	5,608	5,594	5,676	4,437
Excess reserves, all member banks.....	630	880	670	722
Total federal reserve credit outstanding.....	17,683	18,001	18,141	20,048

*Preliminary, week ended May 27.

**Estimate (BW—Jul. 12 '47, p16).

*Revised.

†Date for "Latest Week" on each series on request.



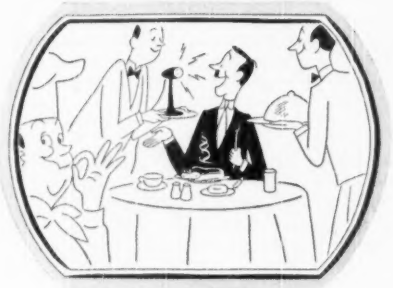
1. TV Tim, producer of a television show, came into Statler, looked around, and cried: "One thing I know—a fine and friendly telecast that passes every test is showing ME at Statler, where you really *are* a guest!"



2. "I'll climb in Statler's famous bed so you can see the bliss, the happiness, the comfort, of a bed as soft as this. Eight hundred thirty-seven springs are sleep-producing fact—and if your set shows me asleep, well, honest, *that's no act!*"



3. "A close-up of my beaming face in Statler's gleaming bath will symbolize enjoyment (and will dodge the censor's wrath). Then swing the camera just to show the water steamy-hot, the piles of soap, and snowy towels stacked up on the spot."



4. "Say, what a shot a Statler meal will make upon TV! We'll picture Statler's wondrous food for all the world to see. The soups, the salads and desserts, the vegetables and meat, and Statler chefs in starring role... I'll simply sit and eat!"



5. "No need for telefoto lens," said Tim, "to get a shot of me as I go out to shop from this convenient spot. It's close to business, shops, and shows; it's near the station, too. As every scene at Statler shows—it's just the spot for YOU!"



STATLER HOTELS: NEW YORK (FORMERLY HOTEL PENNSYLVANIA)
BOSTON • BUFFALO • CLEVELAND
DETROIT • ST. LOUIS • WASHINGTON
STATLER OPERATED: HOTEL WILLIAM PENN • PITTSBURGH

WASHINGTON OUTLOOK

WASHINGTON
BUREAU
JUNE 3, 1950



Optimism on business will pour from Washington this month and next. Rosy midyear reports to Truman and Congress are shaping up. Their gist:

First-half recovery is shoving production, employment, profits, and income up, not to 1948 boom levels, but close to them (page 19).

The second-half outlook is for continuing strength in most lines. Any year-end softening will come too late to prevent the 1950 totals from showing a gain over the 1949 recession levels.

This is good news for the Democrats. Prosperity favors the "ins." Watch for the report of the Council of Economic Advisers, out in a few weeks. It will sweep up the picture for Truman and Congress and in a way calculated to make it clear it was Truman's leadership which brought recovery. It will be a regular "We planned it the way" theme. Examples:

- The home building boom, based on government-guaranteed credit.
- High farm price supports, which Truman insisted on last year.
- Easing up on bank credit in 1949 is paying off now with plenty of money for business and instalment buying of autos, appliances, etc.

The mounting deficit will be applauded. The council, under Keyserling, will make it a virtue: If Truman had retrenched when things looked gloomy in 1949, the recession might have become a bust. Now Truman has shown he will not permit a sharp decline. This encourages business to go ahead.

That's a line you will hear more on as the campaign heats up.

•
Will a depression be avoided for say the next five or 10 years? No one knows, of course. But many able government men think the long trend is up, with only moderate interruptions. Here's their reasoning:

Business growth would be the normal thing. There is no lack of resources to put a low ceiling on the U. S. economy.

Government spending is an extra stimulus and no drop is in sight. In the cold war, defense and aid to allies will rise. Even if Russia should simmer down, spending would not drop sharply. It would be diverted to peacetime projects. Inflation will be of the creeping, not the rushing, kind.

There's some support for this theory outside the government. You see it in the General Motors contract to raise pay for five years and in the willingness of Atlantic Pact nations to tie their economies closer to ours. Heretofore, they have been reluctant, fearing a bust in the U. S. might pull them down and make them easy prey for Russia.

•
A cut in income taxes to encourage growth, as proposed by the Brookings Institution, has no chance in the foreseeable future.

Truman's planners are against it. So is the CIO. Their surface argument is that the growth wouldn't make up the revenue loss. Actually, they like government to get a big cut of income: It gives the government more say in spending and a measure of control over growth, through such things as the pending business loan program.

•
You can see signs of a compromise ahead on the farm program. Un-

WASHINGTON OUTLOOK (Continued)

**WASHINGTON
BUREAU
JUNE 3, 1950**

derneath the Brannan Plan row, there's much agreement on what should be done, and the prospect is for a new law next year, after the politics are over.

What farmers favor is indicated in a poll by the anti-Brannan Farm Bureau Federation in Ohio: Only 15% favor the Brannan Plan, when tagged as such. But 64% want flexible supports, ranging from 90% of parity down to the "loss" level. And 38% favor production payments (subsidies) on perishable crops, the key Brannan proposal.

Agreement may take this form: Keep present system of market price supports for storable crops (cotton, wheat, etc.) and substitute Brannan's production payments for perishables, such as potatoes. Brannan is backing down on his idea of 100% of parity and will take a sliding scale.

•
Adjournment of Congress: Leaders think it will take until Labor Day to clean things up. Primaries aren't bringing any rush to adjourn. Of 150 primary contests, Sen. Pepper of Florida, is the only sitting member defeated. Sen. Graham of North Carolina faces a run-off.

Union power in Congress is weakened with the advancement of Barden of North Carolina to the chairmanship of the House Labor Committee (page 94). Barden isn't antilabor, but he thinks management should have an even break.

Taft-Hartley repeal is less likely than ever. Barden would go along with some revision, but not on scrapping the law, which is what Truman wants.

Aid to education may come to life. Barden wants a public school bill and Speaker Rayburn now has a chance to end the committee deadlock when he fills the vacancy caused by the death of committee chairman Lesinski.

•
Mexico will get her oil loan from the Export-Import Bank. It will be used to develop transportation, refining, and storage facilities.

The U. S. tariff on oil imports will rise, probably around the year's end. There will be an automatic jump from 10.5¢ to 21¢ a barrel when the war-born U. S.-Mexican treaty is scrapped. This will take some of the heat out of the drive for tight quotas on oil imports.

•
What Secretary Acheson told Congress boils down to this: Russia's known plans point to war; not immediate war, but future war. The way to meet, and perhaps remove, the threat is for the West to build up its arms now. It will be a costly job, and the U. S., as the strongest of the Atlantic Pact nations, must accept the lead role in building collective defenses.

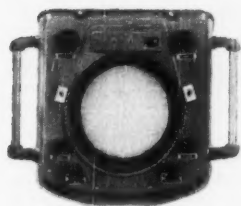
•
Congress will go along. There's grumbling, of course, for the costs will run into many billions in the years ahead. But the U. S. is too far committed to turn back. Most members agree on that.

Military buying already is stepping up. Decision was made this week to speed placement of orders by letting more contracts through direct negotiation, fewer through competitive bidding. It's the start of an arms race, and industry will feel the rising demand within the year.

**Weather BAD...
Trial Trip GOOD**



SPERRY RADAR enables huge bulk carrier to complete Lake trials on schedule despite low visibility



● Thick weather closed in during the recent trials of Inland Steel's big, new bulk carrier WILFRED SYKES out of Lorain, Ohio. Despite six hours of bad weather, the trial trip program was completed on schedule . . .

and the ship's owners and personnel were given a preview of Sperry Radar's consistent performance on the Great Lakes, where the limited operating season demands constant operation in all weather.

● Besides enabling the trial trip to be completed, Sperry Radar accomplished two spectacular "firsts" on the Lakes . . . ship's trial trip speed was accurately determined by use of radar . . . ship's turning circle diameter was accurately measured by use of radar.

● The well-rounded navigation equipment on the WILFRED SYKES . . . which was built by The American Shipbuilding Company . . . includes the Sperry Gyro-Compass for accurate direction and Sperry Gyro-Pilot for steering control. Like Sperry Radar these marine instruments advance the economy and profit of lake, river or sea operations through their aid to simpler, safer, more efficient navigation.

SPERRY

GYROSCOPE COMPANY

DIVISION OF THE SPERRY CORPORATION, GREAT NECK, NEW YORK

CLEVELAND • NEW ORLEANS • LOS ANGELES • SAN FRANCISCO • SEATTLE • NEW YORK • IN CANADA: THE ONTARIO HUGHES OWENS COMPANY, LIMITED • OTTAWA
VISIT OUR BOOTHS AT THE CANADIAN INTERNATIONAL TRADE FAIR MAY 29 TO JUNE 9

Easy to replace:—another reason to choose

The world's most modern light source . . . General Electric slimline fluorescent

1. SINGLE PIN BASE . . . EASY TO REPLACE

2. LOWER UPKEEP—FEWER REPLACEMENTS

3. INSTANT START . . . NO STARTERS

4. HIGH EFFICIENCY

5. LONG DEPENDABLE LIFE

6. NEW STREAMLINED APPEARANCE

NO OTHER LIGHT SOURCE offers all these advantages of slimline—newest form of fluorescent, another General Electric development. Up to eight feet in length, its long, graceful lines of light bring new beauty to stores, offices, restaurants, other businesses. Shouldn't you look into G-E slimline now? Call your G-E lamp supplier today.

FREE BOOKLET: Write for a free illustrated booklet, "Modernize with G-E Slimline". General Electric, Division 166-BW 6, Nela Park, Cleveland 12, Ohio.

You can put your confidence in—

GENERAL  ELECTRIC

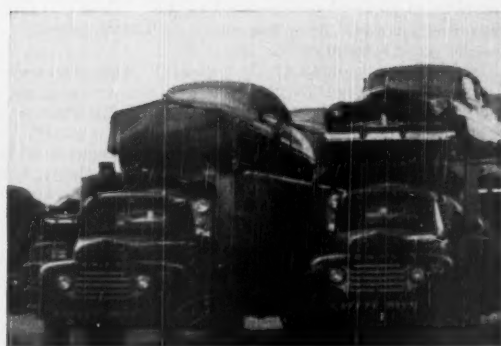
BUSINESS WEEK

NUMBER 1083

JUNE 3, 1950



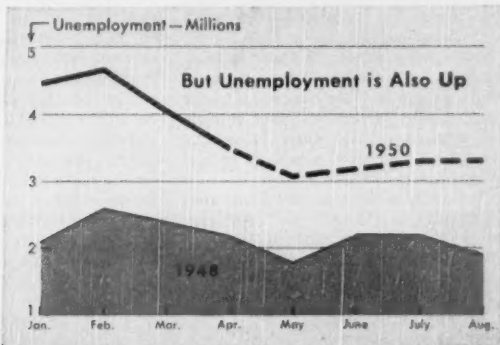
1. Employment runs ahead of boom 1948...



2. And industrial output has caught up...



3. Construction is far ahead of 1948...



4. But jobs don't take up all new workers

Almost Everywhere You Look: Boom

• Industrial production for two months now has almost exactly matched the same months in record-breaking 1948.

• Total value of goods and services produced (gross national product) is running just under the peak for late 1948; allowing for price changes, we probably have already caught up.

• Employment is running ahead of 1948—and seems quite likely to set a new postwar high this summer, somewhat above the 1948 landmark of 61,615,000. But even so, growth of the labor force will keep unemployment above 3-million.

• Consumers are spending at a rate of more than \$180-billion a year, the highest ever.

That's the size of this new boom.

Those, at least, are its measurements in the huge aggregates the economists

use. It doesn't measure up to these high levels in every line of industry (charts, cover) nor in every plant in any given industry. But it has picked up surprising momentum since the coal strike ended. And this momentum alone is enough to assure very satisfactory business through 1950.

The Federal Reserve Board declared this week that its index of the physical volume of industrial production in April was 189. That compares with 188 for the like 1948 month (and with 179 last year). The board estimates that May saw another rise; that should match the 192 for May of 1948, give or take a point.

• **Bulwarks**—Construction, and particularly home building, is off to the fastest start ever. This brings in its wake a record demand for building ma-

terials and supplies—and for home furnishings and appliances. But there's one catch—on the productivity-and-employment side. The record volume of building isn't using many more at-the-site workers than the lower levels of 1948 and 1949.

Automobile and truck production last week hit a record of nearly 184,000 units. Such output is equal to between 8.8-million and 9.2-million cars annually (depending on how much downtime you allow for vacations and model changeovers).

Steel production this week is scheduled at 101½% of capacity. This is the seventh straight week that the steel mills have been operating above theoretical capacity. In each of these weeks, they have turned out more than 1.9-million tons of ingot. Although final

May figures aren't available, the American Iron & Steel Institute says it was the biggest month ever; output was about 84-million tons against a previous high of 8,401,796 in March of last year.

• **Spending Money**—Employment—and wages—have been expanding in a way that helps mightily to sustain consumer purchasing power. Employment in durable goods factories—the area of highest hourly pay—undoubtedly pulled ahead of a year ago in May. And even in April, average weekly earnings of production workers rose to a record \$56.89; this was mainly due to longer work weeks in metal-working, machinery, home-building, and automobile industries.

Capital outlays of business, even though still behind a year ago, have turned from a declining trend to a rising trend (BW—May 29th 50, p.19). This gives new life to manufacturers of production equipment, a very important sector of the economy. And this will be a strong prop for months to come. The equipment takes time to turn out; and once orders are placed, they aren't often canceled.

• **Soft Spots**—Outside of these expanding lines, business hasn't been quite so good. This is notably true in softgoods—particularly in textiles and apparel. But even in textiles, there have been some recent signs of a pickup and of firming prices (page 21).

And even in the strongest lines, most manufacturers will tell you, "This looks just a little bit too good to be true." And then, as though to seek an outside opinion of whether it can be true, they ask, "How long can it last?"

As long as the vast majority of businessmen have that feeling of caution in their bones—and translate it into production economy and inventory conservatism—most economists won't lose much sleep. That probably accounts for the extraordinary unanimity of business analysts that there isn't much to worry about in the rest of 1950.

• **Declines**—But nobody shrugs off the fact that there will at least be a normal seasonal decline in autos and housing later in the year. Due to the present headlong rush of the auto makers and the home builders, some even wonder if the dip won't be a good deal more than customary.

There is a bump coming in autos. That will kick back on steel. And declining home construction, as soon as snow flies, will be felt.

Then there are the unemployment figures. As fast as production and employment are expanding, they aren't setting a pace that will push unemployment back to 1948. Still, as long as this doesn't create a drag on purchasing power, it's no real threat. It's merely one yardstick that makes the boom look a little smaller than at first glance.

Macaroni & Taxes

Mueller is in business—and so must pay taxes—even though NYU gets all its profits, Tax Court rules.

The old university may be *alma mater* to you, but if it makes macaroni, it is in business for a profit. And the profit is taxable. That's what the U.S. Tax Court ruled last week in a decision against the C. F. Mueller Co., a macaroni maker whose profits are dedicated entirely to New York University.

The court's ruling means that the Bureau of Internal Revenue has won the first round in its fight to tax the business sidelines of educational and charitable institutions. This victory for BIR will help calm the fears of people who predicted that some day the country would wind up entirely owned by the tax-exempt institutions. More immediately, it will discourage some of the colleges that have been putting their money into business operations and claiming tax exemption for them.

The Mueller company claimed that its profits should be tax-exempt because they are earmarked for educational purposes. But now, it will have to pay regular corporation taxes on operating income, just as other businesses do.

• **Others' Troubles**—The court's ruling is broad enough to mean trouble for dozens of now exempt organizations with similar business tie-ups—if it can be made to stick. However, the case is certain to go to the U.S. Circuit Court and then to the Supreme Court.

But even if the company gets the nod in the high court, its victory will amount to little more than a stay of execution. If the courts don't tighten up on exemptions, Congress will—maybe this year, maybe next.

The lawmakers have been waiting for this decision, and now they are ready to go ahead. They are under heavy pressure to:

(1) End the cost advantage that tax exemption gives to this kind of commercial enterprise.

(2) Stop losses of corporate tax revenues—losses that are beginning to get pretty big.

In the bureau's view, both these elements were present in the Mueller-NYU case.

• **Background**—NYU has a large enrollment and a relatively small endowment. With costs rising, it has been plagued by the problem that has been worrying all but the wealthiest schools: how to make ends meet (page 72).

Back in 1947, a group of friends of the university's law school decided to take a hand. They met with the heirs

of the Mueller company's founder and worked out the following deal:

A new Mueller company was formed in Delaware "exclusively for charitable, scientific, literary, and/or educational purposes and no part of its income or property [was to] inure to the private benefit of [anyone] other than NYU."

A loan of \$3,550,000 was granted by the Prudential Insurance Co. to finance purchase of the old company's stock; interest and amortization were to be paid out of profits.

A merger of the old and new companies was arranged; then the stock of the original concern was canceled.

A voting trust was set up to hold the new stock, run the business, and make the income available to the university.

The deal was concluded late in August of 1947. When the company got around to filing its return for that year, it paid taxes only on the profits made during the eight months before the change. Revenue earned later was considered tax-exempt.

BIR rejected the company's claim for exemption and billed it for \$136,000 in additional taxes.

• **Mueller, Not NYU**—The bureau wasn't challenging NYU's status as an educational institution entitled to tax exemption. But it ruled that such exemption did not extend to the Mueller company, because the company was a competitive commercial business operated for profit. Put another way, the fact that the company's earnings went to a tax-exempt institution did not make the company itself tax-exempt.

The company took its case to the Tax Court, citing a stack of previous court rulings to make this point: that tax exemption depends on where the money goes, not where it comes from. So the fact that the income came from business activity wasn't really relevant. To wrap up its case, the company proved that it had been set up for the sole purpose of financing the university.

• **BIR Gets Nod**—The court gave the decision to the bureau. In its view, the company was not "organized and operated exclusively" for educational purposes—the statutory requirement for exemptions; Mueller was primarily set up to make and sell macaroni.

The court held further that the doctrine of ultimate destination would have to be stretched and distorted to fit the company's case.

This decision—and congressional action if reversal by higher courts makes it necessary—probably means the beginning of the end for nonrelated business activities of educational and charitable institutions.

But the effect of the ruling will be limited to nonreligious organizations; neither the bureau nor Congress is eager to crack down on business activities of the churches.

Textile "Recession" at an End

Fears of a repeat on bad 1949 slump vanish as dip in business slows down and buying picks up fast. Cottons, rayons do best, but 1950 looks like a good year for everything.

The textile industry thinks that it has come safely through its second recession since the end of the war. Sales are picking up again. Prices are firming. Once again, New York's Worth Street is grinning all over its face.

A little over a year ago, the industry was right at the bottom of a recession that had started in 1948 (BW-Mar.12 '49,p76). Then in July, things began to pick up, and by fall, mills were humming with few discordant notes.

• **Slight Slump**—This spring, the industry began to get jumpy again: The boom which had lasted six months was beginning to slacken off pretty fast. Inventories began to pile up, prices plummeted in cotton. Many mills cut back production from six days a week to three. It looked as if a twin to the deep 1948-1949 recession was coming.

Late this spring, things suddenly took a turn. And by this week, the industry seemed happily certain that there would be no textile recession to speak of in 1950. The boom isn't what it once was, to be sure. A lot of New England woolen and worsted mills are down altogether or on short time; some cotton mills are still working only three or four days a week. But now, there's a broad silver lining to that cloud.

• **Pickup**—Here's what has happened: After prices hit bottom in the early spring, textile buying in the New York market suddenly snapped back. That began to chew up mill inventories in big enough chunks to forestall any further cutbacks in production. In the past two weeks, buyers have picked up over 200-million yd. of cotton cloth—a full month's production.

None of this means, of course, that every line in every fabric is doing anywhere near as well. Full-fashioned hosiery for women, for example, and fine-quality hosiery for men are both in the doldrums right now (although a lot of that is due to the seasonal character of these items). But in general, rayon, nylon, and other synthetics are doing best of all, with cotton a close second.

• **Worsted Outlook**—Orders aren't coming in too fast to worsted and woolen producers. In Rhode Island, some mills are down, and others are on part-time. Yet by comparison with last year, that practically amounts to a boom: Worsted and woolen mills operate today 22% higher than then. Operators are sure the future will be even better.

This confidence is based on the strong price raw wool is bringing. Mill

men say that buyers will feel more like buying now—before prices go higher. In 1949 at this time, tumbling wool prices deepened the industry's troubles by delaying purchasing.

• **Cotton, Rayon**—Cotton and rayon are in healthier shape than woolens and worsteds. In general, prices are making a new bottom, just a little above last year's recession lows. Forward buying is cautious. Some mills are curtailing output to cut inventories.

Against these gloomy signs, there is a brighter outlook. Many rayon and cotton mills have heavy backlogs of orders right through the third quarter of this year. And in some fabrics, the orders go through the fourth quarter and even into early 1951.

• **Boom Area**—In one area, things are so good that some market observers call it a boom. Heavy industrial cotton goods—like duck, canvas, tire fabrics, denims, etc.—are rolling along at top speed.

But trade men point out that if trouble is going to strike, it will hit here

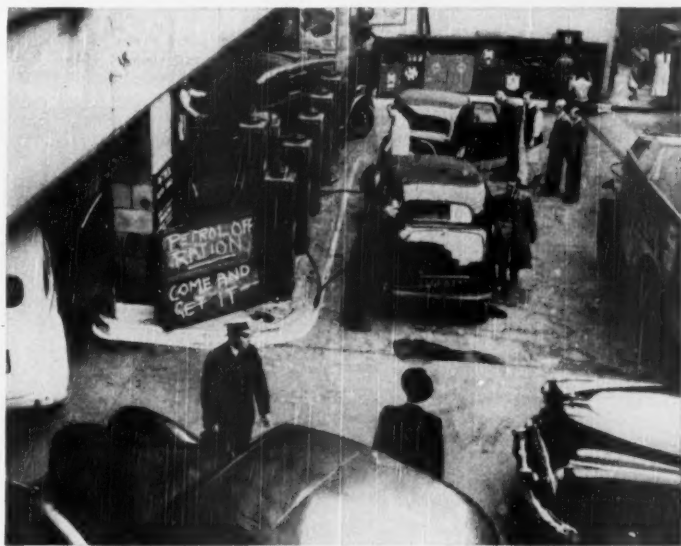
first. The reason is that the boom reflects the high level of business and manufacturing. If that level drops, it will affect the heavyweight-fabric mills.

• **Inventory Plan**—The industry is taking no chances. It is still following its postwar operating policy of trying to hold down inventories by insisting that buyers share the risk. Mill operators do this by (1) curtailing production when stocks begin to pile up; (2) switching looms from one fabric in little demand to another in high demand; and (3) stopping overtime and Saturday work.

The aim, of course, is to try to level out the market, develop even buying, so that periods of frenzied production don't follow periods of dullness and factory shutdowns. Mill men say it was this cautious inventory policy that set the stage for the pickup this spring.

• **Tariff Worry**—Right now, the biggest worry of textile men is tariffs. If they go lower—and millmen fear that they will—imports are going to rise. U.S. lace mills, for example, are already feeling the import pinch. Because French lace prices are below domestic quotations, imports in January and February were up 250%. The result is that New England lace mills are on short time.

But regardless of the problems involved, mill men aren't kicking too much these days. To almost all of them, all of 1950 looks good from here.



Britons Fill Up—After 10 Years of Rationing

When Britain called off gas rationing last week, cars lined up in front of every gas pump on the island. It had been 10 years since Britons had been able to say, "Fill her up," anytime they wished. Minister of Fuel Philip Noel-Baker withdrew controls after

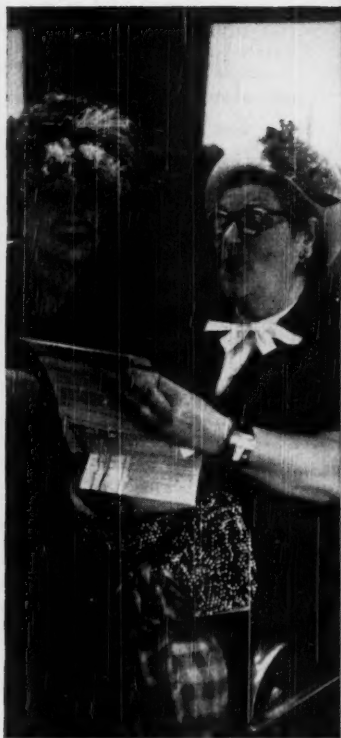
two U.S. oil companies, Standard Oil Co. (N. J.) and California Texas Corp., agreed to sell gasoline to Britain for sterling instead of dollars (page 100). There's still an effective voluntary control on gasoline though. It costs about 35¢ a gal.



TREASURER G. H. Howe guards Central's stock record books in baggage car to Albany.



DIRECTOR James Farley, Coca-Cola executive, enjoys a pause that refreshes.



STOCKHOLDERS, Mme. Manat of Paris, and Mrs. Cohn of Brooklyn, converse.



QUESTION: "Why don't you cut your salaries and pay us a dividend?" (The Central hasn't paid dividends lately.)



PRIVATE JOKE breaks the solemnity of the proceedings. The Central got plenty of free advice from the meeting. One stockholder wanted reproductions of famous foreign paintings in its coaches. Another suggestion: Moving stairways for the Worcester (Mass.) station.



THE LAST MILE from New York to Albany meeting was by bus, from the railroad station to Hotel Ten Eyck. The Central used to hold annual meetings in offices over the railroad station. But special train this year swelled attendance to 500, filling hotel ballroom.

N.Y. Central Stockholders Take a Ride



MANAGEMENT answers the queries. Jacob Aronson (left), general counsel, cites figures; President Gustav Metzman studies agenda.

Stockholders who went to the N. Y. Central Railroad Co.'s annual meeting in Albany, N. Y., last week got a taste of the company's best service on the way. The Central gave 349 of them a lift in a special train from New York City to the state capital. That's the first time that a railroad has ever carried its stockholders to an annual meeting.

• **More Comers**—It's also the first time that the Central got so many stockholders to come. A total of 500 showed up. The ballroom of the Hotel Ten Eyck was barely big enough to hold them. Before, stockholders met in Central's offices over the railroad station.

The Central could be sure of a big attendance every year if it held its annual meetings in New York City. But that's impossible. The railroad company is chartered in six different states; the laws of two of them make no provision for a corporation changing its original meeting place.

• **No Free-Load**—Stockholders couldn't ride the special for nothing, even though they own the railroad. Federal

law prevents that. So the Central offered them a token excursion rate of \$3.00 for the round trip from New York to Albany (the usual coach fare is \$9.75). Still, it could give them a free breakfast, the latest in lounge coaches, and special attention from employees.

• **Proceedings**—But at the meeting, Metzman was unable to give the stockholders a very encouraging report. The Central made only \$9.7-million last year. Net railway operating income was only 1.8% of the total capital invested in the company. In 1948, the Central had made a profit of \$14.7-million. Metzman blamed the poor showing last year on strikes and the business slump.

The outlook for 1950 is no more cheerful. Metzman told stockholders that for the first quarter the Central lost almost \$3.6-million, compared with a profit of \$3.8-million last year. He estimated that during those three months, the coal strike, the Chrysler strike, and traffic diversions caused by the threat of a rail strike in April cost the road \$7-million in net income.



NEW FTC BOSS, Chairman James Mead, is out to modernize an old-line agency.

FTC: Stronger and Tougher

That's the prospect as the commission's housecleaning gets under way. Chairman Mead and his new team may cut the red tape. But they are likely to be stricter than ever toward business.

The Federal Trade Commission is due for an overhaul.

That will clear out some of the mess of red tape that has tangled FTC's hand and driven businessmen crazy for years.

But the overhaul may turn out to be a mixed blessing for business. It will make FTC more efficient, and more effective. But it will probably mean a tougher agency, one that won't spare the rod when it comes to minding its business of regulating business.

• **Regulators**—Chief overhauler is James Mead, whom Truman named chairman last week after Congress upheld the FTC reorganization plan (BW—May 27 '50, p. 21). Mead will go along 100% with the Truman Fair Deal, and will pull the reins on FTC to go the same way.

Besides Mead, the lineup on the commission will read like this:

John Carson—ex-newspaperman and consumer co-op official. He is nominally an independent, but has Fair Dealish leanings.

William Ayres—the one oldtimer left in the new setup. Ayres is an ex-congressman and a regular Democrat from away back.

Lowell Mason—Truman's first new broom on the commission. He is a Republican who did a lot to shake the shop out of its lethargy. He is friendly to business, believes in coopera-

tive trade practices conferences as a way to getting businessmen to see things FTC's way.

Appointed, but not yet confirmed, to the commission is Fair Dealer Martin Hutchinson, an anti-Byrd Democrat from Richmond.

If the Senate O.K.'s Hutchinson, FTC should be split four to one against business, with Mason the lone friendly voice.

• **Weight to Throw**—The commission has always swung a lot of power. Back in the '30's, it was an FTC investigation that helped Congress pass the Public Utility Holding Company Act. FTC studies helped put across the Securities & Exchange Commission. It has the job of enforcing Clayton and Robinson-Patman acts on price discrimination.

It was an FTC argument that got the Supreme Court to throw out basing-point pricing, as practiced by the cement industry. And FTC brought the Standard Oil of Indiana case, now before the high court; in this, FTC maintains that a company may be breaking the law against price discrimination even when it is meeting a competitor's price in good faith.

• **Kinks**—But it is only in the past few years that FTC has got all the way into business' hair; it wasn't until the basing-point issue came up that it really set the country in an uproar. It simply

hasn't been set up to make its punches felt.

For one thing, Congress has held down its budget.

For another, FTC is an old-line agency. It has been as snarled in its own red tape as any kitten mixed up with a ball of yarn.

One difficulty is that the laws FTC is supposed to enforce are pretty hazy themselves. When the agency was set up in 1914, it was given the job of outlawing "unfair methods of competition . . . and unfair or deceptive acts or practices." Plenty of times, the commissioners themselves couldn't agree on what was legal and what was illegal.

• **Classic Case**—FTC's case against the American Iron & Steel Institute has become a classic example of the kind of maze the commission can lose itself in.

In this case, FTC charged the whole steel industry with price fixing through its basing-point pricing. Last fall, it looked as though the case was all wrapped up. The steel lawyers offered to settle. The FTC trial lawyer, Lynn Paulson, recommended that FTC buy their offer. This was argued before the commission; Paulson's bosses argued against him.

Last week, the case became still more confused.

Paulson's immediate superior, Everette MacIntyre, asked the commission to turn down the Paulson-approved settlement and to reopen the case so that new evidence could be put in against the steel companies. MacIntyre wants to show that the companies agreed to forestall increases in steel capacity, and that they got together to prevent certain reductions in railroad rates.

These two charges were in FTC's original complaint. Paulson says he didn't produce any evidence to support them because the "evidence wasn't worth using."

Richard Whitely, chief of the Bureau of Litigation, (and as such, both Paulson's and MacIntyre's chief) approved MacIntyre's move. But this week, Whitely was reorganized out of this job and into another FTC spot. The man taking over is Joseph Sheehy, who was associate director of the FTC bureau that had charge of all investigations but had nothing to do with the steel case.

• **Faster, Harder**—Presumably, this kind of jumble is what the streamlining could straighten out. But the signs indicate that if, as a result, FTC is a faster-moving agency, it will be freer with the stick, too. Only recently, Congress boosted FTC's power to seek fines up to \$5,000 for each day's violation of an FTC order. And Congress is close to giving FTC full authority to stop any business merger the commission thinks "may substantially lessen competition."

Grain Surplus Will Shrink

Bad weather, bugs, and heavy meat consumption cut into wheat and corn surpluses that once threatened to swamp government price supporters. Some experts are even talking shortages.

The bugs in the wheat belt and the hogs in the corn belt are eating the government out of a big part of its surplus problem. Right now, it looks as though grain surpluses are going to be drawn down to the point where they won't be real surpluses anymore.

Besides the bugs, bad weather is cutting into this year's wheat crop; corn borers will bore extra heavy this year into the corn; and the hogs—which consume most of the corn—are being eaten by people at record rates. Demand is up for most grains, and the supplies in prospect for this year are a good deal smaller than they have been.

• **Official Wondering**—A lot of people in Washington are beginning to wonder officially if there are going to be any big surpluses in corn and wheat this year. Ralph S. Trigg, president of the government's Commodity Credit Corp., has already raised the question before the House Agriculture Committee. It's Trigg's job to lend farmers money on stored grain, and he has to take title to all the grain that these farmers turn over at the end of each loan year.

That makes Trigg a big operator in the grain market with a big interest in what constitutes a surplus, and he doesn't think that the big corn and wheat crops last year will result in enough of a carryover.

• **Short Surpluses**—Trigg would like to see a minimum annual carryover of corn of 750-million bu. to 1-billion bu. at the beginning of each crop year (Oct. 1). But the way the agriculture act is set up now, once the carryover gets to 300-million bu., acreage allotments can be put into operation to cut the crop down. This year, the carryover will be something more than 800-million bu. on Oct. 1.

Trigg figures the wheat reserve should run at least 350-million bu. to 500-million bu. at the end of any crop year (July 1). It looks as though it will be a little more than 400-million bu. by that time this year—the bare minimum to insure safety, according to Trigg's figuring.

This means that corn and wheat supplies on hand are going to be barely high enough to meet what the Administration thinks are safe minimums. It also means that shortened surpluses will give the Administration strong arguments against cutting into current price-support policies. Congress will probably be more inclined to listen to its case for high price supports if the surpluses

aren't threatening to pile up to the roof.

• **Meat-Eaters**—The major factor in the boosted demand for corn is the big jump in consumer demand for pork. The price of hogs at Chicago has risen from \$14.50 to \$20 a cwt. since price supports were taken off last month—to the astonishment of government experts and the meat industry alike.

During the last eight months, pork consumption has been at record peaks. During February and March of this year, slaughter of government-inspected hogs ran 16% above last year's killings. From April through June, about 10% more than last year will be slaughtered, and this rate will probably continue right through the year.

• **Corn-Eaters**—And hogs eat corn—so much of it that during recent weeks, farmers have been unsealing the bins in which 1949 corn surpluses have been stored. As long as demand for pork keeps prices up, it will pay farmers to keep digging into these government corn bins to feed their hogs. And it will keep drawing down the carryover.

So far this year, demand for beef hasn't been running quite up to last year; it's been down about 4% from 1949. But in recent months, shipments of feeder cattle into the corn belt for fattening have been increasing rapidly. That means big supplies of beef later and a lot more corn consumed between now and Oct. 1.

If this situation continues much longer, it's liable to make previous definitions of a corn surplus look small.

• **Planned and Unplanned**—The increasing demand for grain for feeding is at least partly the result of government policies. Government agricultural planners have long tried to encourage farmers to turn their grain into meat and sell it that way instead of as a cereal.

But the short crops that threaten this year are strictly accidental. They are the result of weather and insect damage, things that Washington doesn't plan.

Winter wheat has been hit by drought and bugs so badly this year that the crop estimate is down to 689,595,000 bu.—down 23% from last year's bumper crop.

Spring wheat planting has been held up by the cold, wet spring.

Oats—another big feed crop—were planted late on reduced acreage, so there probably won't be any big oat surplus, either.

Corn planting is running late in many areas. And even where it is get-

ting into the ground, it's running into the worst corn-borer threat that has hit this country in years. Chances are that farmers will be able to kill the borers, but there still isn't any guarantee that there will be enough corn this year if record pork demand continues.

Farmers all over the country are being warned of the strong possibility of shortages of feed crops, so they are planting every available acre.

• **Long Range**—Current problems of feed shortages are nothing compared with what's coming in the next few years. At least that's what Joseph Davis says in his book, "The Population Up-surge in the U.S." He warns that at the rate the population is increasing, there will be enough new meat-eaters in the U.S. to consume an extra half-billion bu. of corn annually.

This is just part of the story, and a lot of experts disagree, but it still indicates a new trend in thinking. There's far less talk about surpluses now. And you can even hear serious predictions of farm shortages.

New U. S. Atlas Shows Economic Development

Marketing men will want to do some homework in a new publication issued this week by the Commerce Dept. It's called Economic Development Atlas, and it contains figures and charts that show clearly how the economy of the individual states and regions has changed in recent years.

The book points up again the well-known fact that the growth trend since prewar days has been stronger in the South and West than in the Northeast. But it elaborates this conclusion by bringing together state-by-state figures which show the variations in the trend within the various regions.

• **Regional Differences**—Thus, in the section on change from 1929 to 1948 in per capita income payments, it confirms the fact that the Southeast has had the greatest rise. It adds the information that the Carolinas have done the best within that region; West Virginia and Florida have done least well.

In the section on change from 1939 to 1947 in number of manufacturing workers, the book confirms the top position of the Southwest and Pacific Southwest. But it adds the fact that the three top states were Nebraska, Nevada, and New Mexico.

Other economic indicators covered in the book include: population (both the change and the current distribution); the change in the relative importance of manufacturing; average size of farms, and use of tractors; and two over-all series on the relative economic development of the states and regions.

Copper Scuffle

Producers and western congressmen fight move to waive copper tariffs again. Congress will probably compromise.

Anyone who uses copper—and that includes a sizable slice of all manufacturing—has the threat of a cost increase hanging over his head. By the same token, President Truman faces at least a temporary setback in his tariff program—over copper.

The issue is a new extension of the law waiving the import duty on copper. Unless Congress acts, a \$40-a-ton tariff goes into effect on July 1. The Administration wants another two years of duty-free imports. Most domestic copper producers and western copper congressmen don't.

• **Peak Demand**—Domestic demand for copper right now is sky-high. Even going full blast, U.S. producers couldn't hope to meet it alone.

Though admitting there is no great threat at the moment, some producers still feel a need for protection. Louis S. Cates, chairman of Phelps Dodge Corp., said that when demands slackened in 1949's second quarter, some mines had to shut down—while imports streamed in. E. H. Westlake, vice-president of Miami Copper Co., has called an import tax vital if higher-cost U.S. mines are to survive. Producers with big foreign properties, though, are generally keeping mum.

Copper fabricators don't want a return to tariffs. C. Donald Dallas, chairman of Revere Copper & Brass, Inc., summed up when he told Congress: "It doesn't make sense to penalize the American public by imposing an import tax on a vital commodity of which we do not have an adequate domestic supply."

• **Bottleneck**—In the House, Rep. Patterson (R., Conn.) has already introduced a bill to extend the tariff waiver another two years. So far, it has been bottled up in the Ways & Means Committee, which is still working over the tax bill.

In the Senate, Chairman George of the Finance Committee has brought up a House-passed bill to extend the duty suspension on certain scrap metals. The strategy might be to try to tack on the copper waiver as an amendment. The bill would then go to a conference committee representing both House and Senate. This committee could approve a bill including the suspension of the copper tariff, and the House could then vote on it at once.

But pushing such a bill through the Senate before the July 1 deadline is a

touch-and-go proposition. Copper-state senators have gone on record as saying they would fight another duty waiver tooth and nail.

• **Best Bet**—It's still too early to make any definite prediction on what's ahead. It seems certain, though, if things stay bogged down, Truman will put on the heat. He made firm commitments to Chile's president earlier this year that the tariff wall wouldn't go up again.

Probably the safest bet right now is that Congress will vote an extension—but not before the deadline. The end of July or early August will be about as close as it gets. And the extension will probably be a compromise—one year, instead of two.

Cut Corporate Taxes, Brookings Urges

If Washington really wants to stimulate new business enterprises, it should start cutting high corporate taxes, not excises. So Brookings Institution reported this week in a study made by

Lewis H. Kimmel. Funds for the study came from Pittsburgh's Falk Foundation.

Brookings would like to see the 38% corporate income tax come way down—to "something like 10%" eventually.

It would also relieve the burden of double taxation of corporate earnings by allowing the individual some credit on his personal income tax for the levy the corporation already has paid on earnings paid out in dividends.

• **Personal Taxes, Too**—For good measure, the study recommended hacking the top-bracket tax rate on personal incomes from 82% to "something like 65%"—again with an eye to getting private investors to provide more equity capital. At present, the study says, high taxes make the investor unwilling to take the risk.

While making these recommendations, Brookings took a broad side-swipe at the current drive to pare excise taxes. First, says the report, these aren't half so important in killing incentive as the high income taxes are. Second, excise taxes are too good a source of revenue to give up entirely.



Now It's Three-Dimensional Television

Last week in Chicago, the Atomic Energy Commission's Argonne National Laboratory revealed that the inevitable next step in television is already here. It's stereo, or three-dimensional TV.

Stereo TV extends the eyes of atomic experimenters by permitting them to see—from a safe distance—what happens when they manipulate remotely controlled radioactive materials.

Dual images appear on the stereo-

receiver's screen. But the operator, who wears polarizing viewing spectacles, actually sees one three-dimensional image.

Argonne scientists, with Allen B. Du Mont Laboratories, Inc., worked out a twin-lens rig for their stereo-TV camera. Spaced the same distance apart as the human eye, the lenses pick up images corresponding to left and right eye views of the object. Polarizing spectacles worn by the observer fuse the two images into one.

SINCLAIR'S "pipes" have a 280,000,000-gallon *thirst!*



How big is Sinclair's network of pipelines?

So big that, in order to maintain constant flow, there must be at least 280,000,000 gallons of oil and oil products moving through the system every minute of the day.

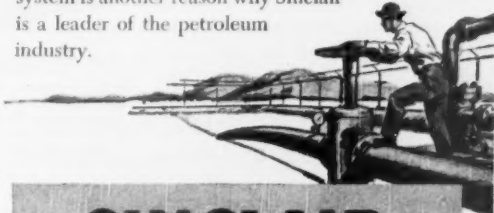
In fact, there is at all times enough "line fill and working stocks" in the crude oil pipelines to supply the total oil needs of the United States for nearly 24 hours . . . and more than enough in the petroleum products line, if it were all automotive gasoline, to provide an average day's fuel supply for every passenger car in the country.

How does Sinclair's pipeline system compare with other pipelines?

Sinclair's pipelines add up to the longest company-owned system in the world—13,861 miles.

Why does Sinclair operate pipelines?

Because pipelines are the most efficient and economical land method of transporting oil and oil products in bulk. This tremendous pipeline system is another reason why Sinclair is a leader of the petroleum industry.



SINCLAIR

A Great Name in Oil

CRISIS in the AWFUSS*

(No. 7)

"ALWAYS SLOW!
WHY DON'T YOU
FIX UP A SYSTEM?"

"WHY A FIX-UP?
JUST PHONE AND
BUY A REAL ONE!"



*An awfuss is a place where business is misconducted

ANY FILING PROCEDURE can fall down in a heap unless controlled by a physical "system."

In the Globe-Wernicke SAFEGUARD Filing System, the possibilities for human error are recognized IN THE SYSTEM—guarded against—reduced to virtual vanishing point.

It guides seeking fingers swiftly, unerringly to the correct location of papers wanted or to be filed. Even errors resulting from human shortcomings are guarded against in every possible way.

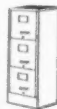
There is no filing system so fast, so simple, so accurate and so low in operating cost—the verdict of thousands of long-time users.

The 1-drawer packaged unit—ready to install and use—consists of primary guides, miscellaneous and individual folders and labels—to equip one file cabinet drawer. Expandable to any desired capacity.

Tell your File Chief to have this System demonstrated by your dependable Globe-Wernicke dealer; see your classified telephone directory under "OFFICE FURNITURE & EQUIPMENT."



This is the 1-drawer unit package, G-W Safeguard Filing System; a basic Globe-Wernicke development, proved-in-use for decades; another Globe-Wernicke contribution to speedier business, lower costs.



Engineering Specialists in
Office Equipment, Systems
and Visible Records

Cincinnati 12, Ohio

BUSINESS BRIEFS

The antitrust verdict against U. S. Gypsum and six other companies was upheld by the Supreme Court. The court enjoined the seven from taking any "concerted action" to control Gypsum-board prices. It also agreed to review the government's claim that the lower-court decree didn't go far enough.

Shipyard business, which looks generally sour beyond this year, sweetened a little for Newport News Shipbuilding & Dry Dock (BW—May 27 '50, p. 23). The yard got a \$2.5-million contract for repair of six United Fruit ships. Work will run through April, 1951.

Sears' midsummer catalog is sprinkled with price cuts again—an average of 7% on 4,000 items. Biggest slice: 52% on 2,4-D weed killer.

Buying spree: Both National Airlines and Northeast Airlines offered to buy each other out. National bid first, offering cash for Northeast's assets. Northeast said no, countered with a proposal to buy two-thirds of National's stock.

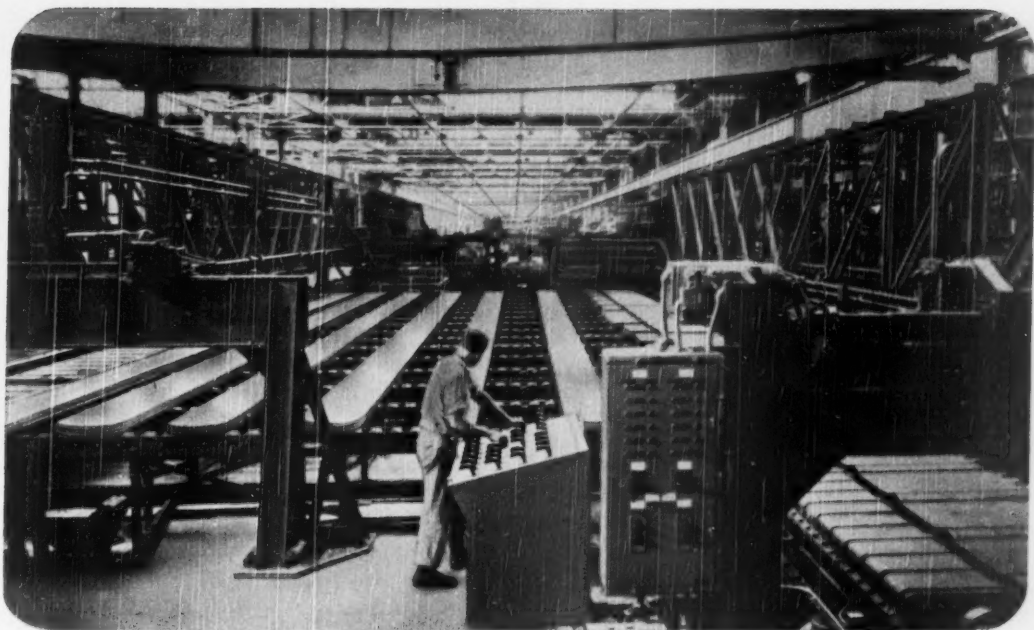
Airline fares to Europe will go up 7%, probably on Sept. 30. The hike, which will add about \$25 to a one-way trans-Atlantic ticket, was agreed on at the Madrid conference of the International Air Transport Assn.

Douglas Shoe stockholders will decide on June 27 whether to merge with Arthur Million, Inc., a wholly owned subsidiary of General Shoe Corp. The consolidated company would carry the Douglas name, but General Shoe would have control.

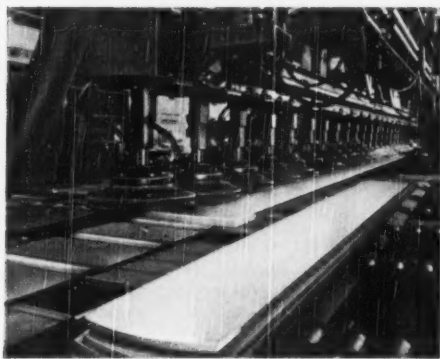
Company housing at Birmingham was sold by Tennessee Coal, Iron & R.R. to John W. Galbreath, big Columbus (Ohio) realtor. Galbreath agreed to repair the 2,179 houses, offer them for one year for sale to employees.

Sylvania did an about face on its policy of keeping tube production close to the East and Midwest markets (BW—May 27 '50, p. 44). It broke ground on a \$1.5-million radio-tube plant at Shawnee, Okla.

A stock sale looks likely for United Artists, the biggest independent distributor in the movie business. Its directors named a committee to negotiate for sale of all or any of 12,000 shares of treasury-held stock (60% of the total issued).



T O BUILD OR NOT TO BUILD



The smaller illustration is of the vacuum cup handling equipment operating in conjunction with the 2-Hi Cold Rolling Mill. Because of the massive size and weight of individual brass bars, all handling is mechanical.

This Mill, designed and constructed by Stone & Webster Engineering Corporation, is capable of producing the heaviest non-welded coils of strip brass, and includes the largest cold breaking-down mill in America.

For Scovill Manufacturing Company, Stone & Webster Engineering Corporation carried on continuing studies of the client's production operations over a period of four years. Analysis was made of production pattern for anticipated requirements, with costs of production in proposed mills compared with costs in the existing plant.

Companies today, faced with improving production facilities or lowering cost of plant operation, find comprehensive engineering reports by Stone & Webster Engineering Corporation valuable in developing sound, long range production plans.



STONE & WEBSTER ENGINEERING CORPORATION

A SUBSIDIARY OF STONE & WEBSTER, INC.



Colorful New World

FROM MORNING TILL NIGHT, the colors of the rainbow are all around you—through plastics. A blue plastic clock wakes you, and you flip on an ivory plastic light switch. You take your clothes from a yellow plastic hanger. Plastic toothbrushes come in colors for every member of the family. Cheerful decorating schemes are enhanced by the beauty of plastic drapes. There's no limit to the colors you can get in these versatile materials!

But this is only the start of the plastic story. Plastics help make better clothing. Modern furniture and furnishings owe much to plastics. Much of your food is packaged in clean, clear plastics. Plastics add safety, durability, and appearance to many of your electrical appliances.

These versatile basic materials are man-made. Organic

chemicals are the ingredients of the "unfinished" plastics—called resins. From these resins come the many different forms of plastics we know.

The people of Union Carbide are leaders in the production of plastics, resins, and related chemicals. They also provide hundreds of other better materials for the use of science and industry.

FREE: If you would like to know more about many of the things you use every day, send for the illustrated booklet "Products and Processes." It tells how science and industry use U.C.C.'s Alloys, Chemicals, Carbons, Gases, and Plastics. Write for free booklet C.



UNION CARBIDE
AND CARBON CORPORATION
30 EAST 42ND STREET  NEW YORK 17, N. Y.

Trade-marked Products of Divisions and Units include

BAKULITE, KRENE, and VINYLITE Plastics • LINDE Oxygen • PREST-O-LITE Acetylene • PYROFAX Gas
NATIONAL Carbons • EVEREADY Flashlights and Batteries • ACHISON Electrodes • PRESTONE and TREK Anti-Freezes
ELECTROMET Alloys and Metals • HAYNES STELLITE Alloys • SYNTHETIC ORGANIC CHEMICALS

ENTERTAINMENT



MONEY LOSER

The Ansley Hotel's Rainbow Roof had the shiny dance floor; it had food and the band. But it didn't have enough dancers.



MONEY MAKER

Same place, converted into a rooftop theater. Here a capacity audience watches Diana Barrymore in *Light Up the Sky*.

Hotel Theater Packs 'Em In

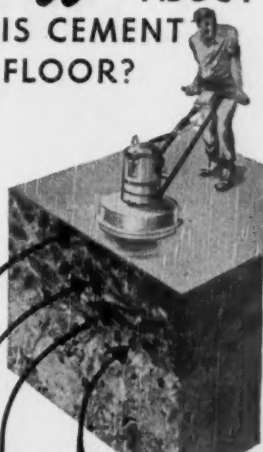
The theater-in-the-round—an arena stage, with the audience watching the goings on from all sides—was old hat to the ancient Greeks. Now, Broadway is going to have a taste of it. Next week, the Arena, which up to now has been the Edison Hotel's ballroom, is opening with a production of the *Show-Off*, starring Lee Tracy.

The idea may be new to Manhattan's subway-riding trade, but out-of-towners could give New Yorkers a few pointers. To see how it works, and why it's popular, take a look at what

has happened at the Ansley Hotel, Atlanta.

Last summer, officials of the Ansley glumly faced the fact that their Rainbow Roof was costing too much money. This is a common complaint in the hotel business. Hotel night clubs, especially if they go in for big-name bands, eat up profits. The Ansley, an important link in the Dinkler chain of southern hotels, even thought of closing the Roof, if other local hotels would junk their costly night spots. That idea didn't take, so the Ansley rocked along

WHAT'S SO *Different* ABOUT THIS CEMENT FLOOR?



ADHESION TO UNDERSLAB

Correct preparation of underslab plus the Kalman Process with the water removal effect assures complete adhesion.

STONE LOADED TOPPING

Tough, graded stone passing rigid tests for gradation and crushing strength, clean coarse sand, plus cement chemically selected for floors.

UNIFORM DENSITY

Even distribution of aggregates throughout area. Almost complete absence of voids. Achieved by correct proportions of water to cement and control of absorption, plus mechanical compacting.

NO SOFT SPOTS

Uniformly hard and smooth over every square foot of surface. Greater resistance to wear and "dusting." Easy to maintain.

These factors, plus the Kalman method of installation by the Water Absorption Control Process are what make this floor so different.

Don't specify just any cement floor. Send for this FREE Booklet and read how to obtain successful cement floors.

Ask for Booklet
No. 36



Kalman

CONCRETE Floors

KALMAN FLOOR CO. INC.

110 East 42nd Street, New York 17, N. Y.

Branch Offices: Boston • Charlotte • Chicago
Cleveland • Dayton • Houston • Los Angeles
Philadelphia • San Francisco • Seattle

SIRVENE SERVES

your industry



A tiny blow-out plug for a pressure cooker. A complex diaphragm for an aircraft carburetor. Each demonstrates one of the many ways that Sirvene can serve in all types of industry. Sirvene is a scientific, compounded elastomer for which no two uses are exactly alike. Every purpose, every formula, every design is individual. You determine the need and type. Sirvene engineers will work with you in developing the particular part required for the dependable operation of your mechanism. When you are planning a new product or improving an old one, supplement your own research and engineering with Chicago Rawhide service. Solving critical protection and sealing problems has been Chicago Rawhide's specialty for seventy-two years, and includes pioneering the development of oil seals and industrial leather products. C/R will welcome the opportunity to study your needs.



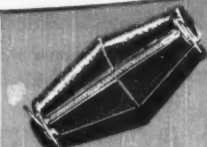
More motor vehicles, farm implements and industrial machines are equipped with "Perfect" Oil Seals than any other shaft-type sealing device.

PERFECT Oil Seals

* Sirvene molded products are all custom-engineered and custom-built for critical service in aircraft, automotive, and other mechanisms.

SIRVENE

COMPOUNDED SYNTHETIC RUBBER



† Sirvis boots, diaphragms and packings are giving dependable service all over the world under difficult operating conditions.

sirvis

MECHANICAL LEATHER PRODUCTS

Established 1878

CHICAGO RAWHIDE MANUFACTURING CO.

1231 Elston Avenue

Chicago 22, Illinois

—like most well-run hotels—making a profit on its rooms, losing money on its night club.

• **Sale**—Then one day, a young actor named Don Gibson walked into Carling Dinkler's Atlanta office. Why not, he said, put the white elephant to work?

Dinkler and his associates bought the idea. And the Rainbow Roof became the Penthouse Theater. The hotel agreed to close the Roof during certain hours, let Gibson have the space for a flat weekly rental—if he could raise the money to get his theater started.

• **Search**—That was all Gibson wanted to hear. He started beating the bushes. He had a tough time. But he scraped around, finally came up with some \$15,000.

The next step was tough, too: lining up big-name stars who would come to Atlanta for one-week stands, and an untried venture. Edward Everett Horton took the bait, and last September the Penthouse Theater opened for business with Springtime for Henry.

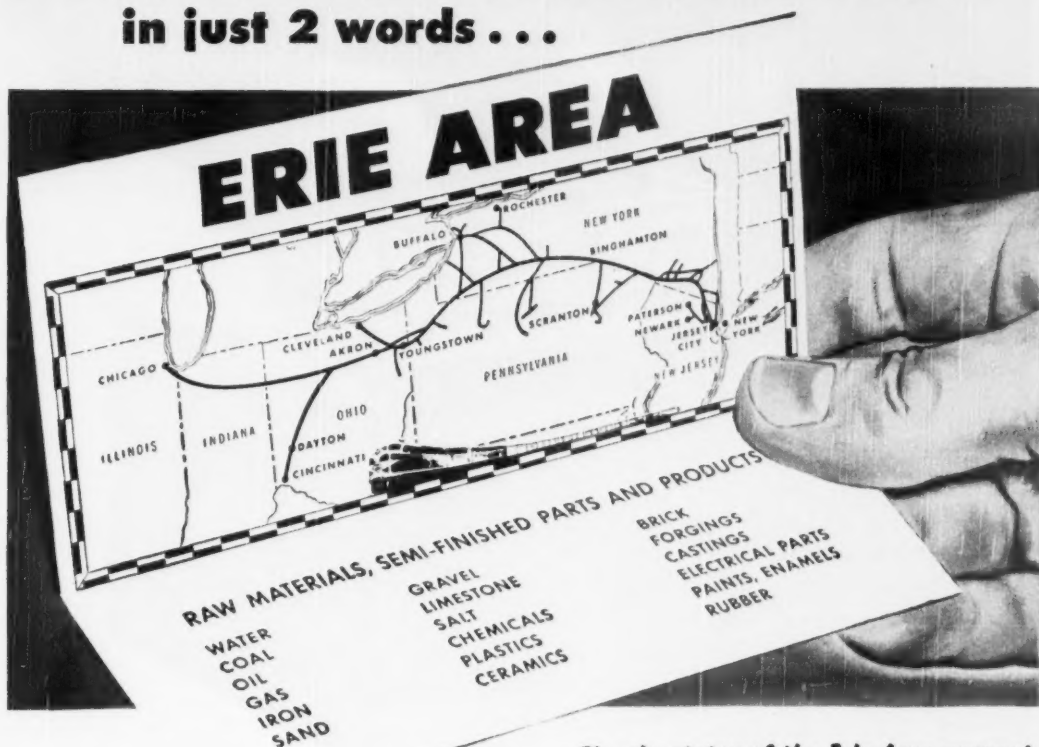
• **Hit**—From the first, the theater was a hit. Instead of running eight or 10 weeks, the Penthouse played for 30 consecutive weeks, mostly to capacity audiences. It ran from Monday through Saturday, with a couple of matinees usually thrown in. It closed Apr. 15 with *The Glass Menagerie*, starring Susan Peters. Among others who performed were Kay Francis, Boris Karloff, Florence Reed. Business was so brisk that Gibson squeezed more seats around the stage floor. Ticket prices were hiked from \$2.50 to \$3.

To make the fast conversion from a night club to a theater, the Penthouse set up ordinary chairs on elevated rows, on all four sides of the "stage" (the roof measures 80 ft. x 70 ft. over-all). As a night club, the space can handle 500 people; as a theater, it seats 443 comfortably. When the Ansley takes over the space for a daytime meal, the terraces are just pushed back out of the way. There isn't much outlay for props; most are loaned by local businesses, who take a credit line for pay.

• **More**—With one success scored, Gibson is looking for new hotels to conquer. He added a second playhouse this spring at the Roosevelt Hotel, Jacksonville, Fla. He plans to reopen both theaters in the fall for a six- to eight-week season.

As for the Dinkler chain, "We're sold on it," says William G. Hastings, vice-president in charge of sales and advertising. The Ansley gets no share of the theater's take, but it does get its regular weekly rent (neither Gibson nor Dinkler will say how much). The hotel still keeps its below-the-street-level Owl Room for the dine and dance business. The Owl Room used to close early so it wouldn't compete too much with the Rainbow Roof. Now both places are showing a profit.

**The answer to your plant location needs
in just 2 words . . .**



***The six states of the Erie Area account
for 43.5% of all expenditures for new
plants and equipment in the United States****

THE six key states of the Erie Area contain everything needed for the growth and success of almost any kind of business.

Here are abundant electric power, agricultural products, a high concentration of skilled and unskilled workers, and a market doing 40% of the nation's buying!

With all these things you will also

have the advantage of the dependable Erie Railroad, connecting with other railroads and terminating in the east at famous New York Harbor for export shipping.

The experienced Erie Railroad plant location staff will be glad to advise you on Erie Area locations. Erie will help you develop the facts you need. Write now!

Here's how to get action!

Send a list of your requirements and preferred location to Mr. A. B. Johnson, Vice President, Room 502, Midland Building, Cleveland 15, Ohio. All information will be held in the strictest confidence.

*Source: Census of Manufacturers, 1947 Report MC100-8

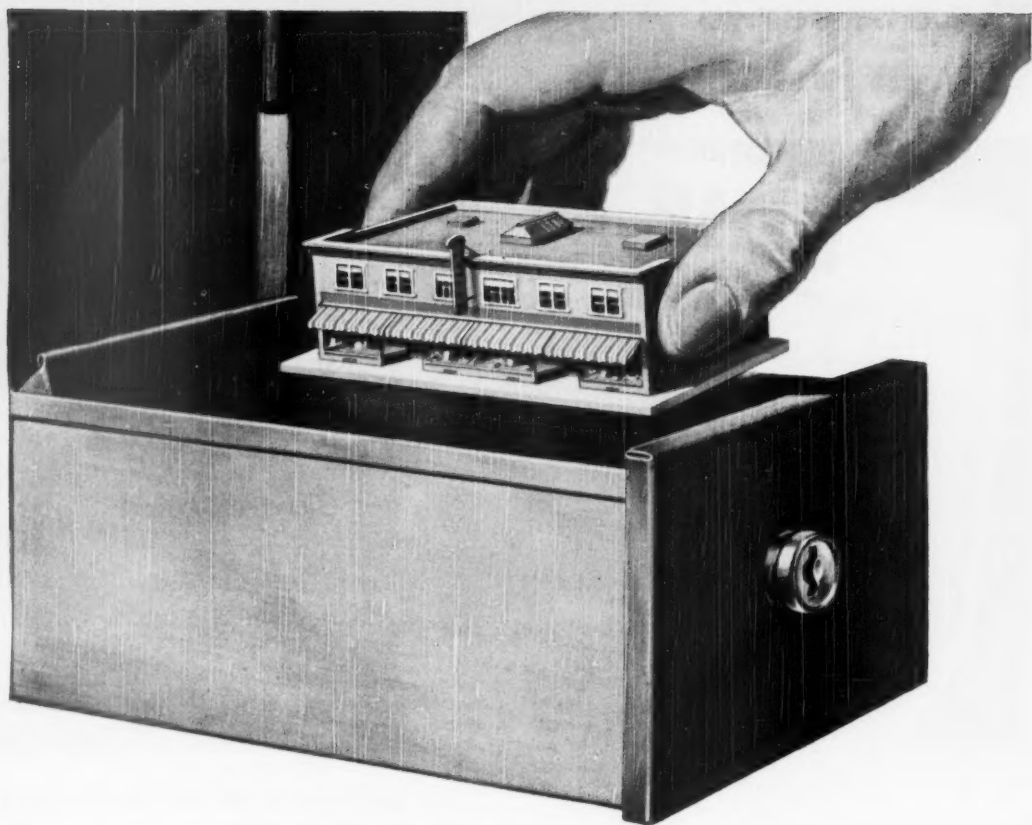
Erie Railroad

SERVING THE HEART OF INDUSTRIAL AMERICA



Mark of **PROGRESS**
in Railroading





This "stand-in" for your business fits in the drawer of your safe

A VIRGINIA STORE, burned out just before the Christmas rush and unable to do business for weeks, showed just as big a profit for the period as if fire hadn't struck at all.

How did it happen?

Owners of the business—in addition to Fire insurance on the property itself—had *Business Interruption insurance*.

When fire put the store out of business, this insurance not only furnished money to meet payrolls and pay other expenses, but also provided funds to pay a *profit on the trade lost because of the fire*.

• Tucking an insurance policy of this kind in the drawer of your safe is like putting away a "stand-in" for your business until you need it. The minute a fire knocks out your business, this "stand-in" starts paying you just as much as the business would normally earn.

Having it, you're sure to be in as good shape after a business interruption as before.

The Travelers writes Business Interruption insurance not only against the hazard of fire, but also other hazards

—such as windstorm, explosion, riot, civil commotion and boiler and machinery breakdown. Business Interruption insurance, with few exceptions, will cost less per thousand than insurance on the property itself.

Think how costly it would be should you have to close up shop for a while. Then, call in your Travelers agent or broker and let him tell you more about Business Interruption insurance and how it applies to your business.

MORAL: INSURE IN

The Travelers

ALL FORMS OF INSURANCE AND SURETY BONDS

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford 15, Connecticut. Serving the insurance public in the United States since 1864 and in Canada since 1865.

BOOK REVIEW

Saving Capitalism

Stability is the key, say McGraw-Hill economists in new book. To attain it, they propose middle-road approach.

The businessman today spends more and more of his time thinking and reading about the economic problems that face his industry and the nation as a whole. *Making Capitalism Work*, just published by the McGraw-Hill Book Co. (\$3.50), is an analysis that helps bring these problems into perspective.

Written by the Economics Dept. of McGraw-Hill, the book levels its main attack at the instability inherent in the economy. As a solution, it proposes a stabilization program that is neither radical nor conservative, but follows a middle-of-the-road political approach.

A violent depression, say the authors, could prepare the deathbed for capitalism. And yet stabilizing the economy through rigidity of production, prices, wages, and profits would sap the life out of it. "The goal of economic stabilization must be to avoid disastrous ups and downs while keeping enough flexibility to invite enterprise and dislodge dead wood."

In order to develop a successful policy, we must consider the following three propositions:

(1) A stabilization policy should have a general—not a pinpoint—objective. For instance, in seeking full employment, we should not try to keep everybody in the labor force at work all the time. The aim should be to keep enough on the job to insure satisfactory operation of the economy—say somewhere between 90% and 97% of all workers.

(2) The victims of insecurity, both employees and businessmen, should be compensated by some form of insurance. This is better than regulating the entire economy to attain stability. Fair-trade agreements, production restrictions, and other such regulations tend to hamper the effective workings of capitalism.

(3) Extreme care must be used in applying stabilization devices. An attempt to fight inflation with a tax increase when a downswing is around the corner would push teetering business over the edge.

• **Inflation**—The main trouble with the economy, the authors think, may turn out to be a chronic inflation, rather than sharp movements in the business cycle. Laxity over credit controls and props such as farm price supports, wage agreements, and large federal bud-



"Check me over, Doc. I'm afraid I've been working too hard since they put in air conditioning"

WHAT happens when a plant is air conditioned?

On the human side, comfortable workers will be able to do more with less effort. They will be less likely to absent themselves. It will be easier to hire new help. They will be less likely to move to greener pastures.

Precise machinery will not be subjected to radical shifts in temperature and humidity. It will be less likely to get out of adjustment. It will "sweat" less . . . corrode less. It will produce a more uniform product.

Air conditioning can keep raw materials uniform, too. And contribute to a more uniform product. Textiles, pharmaceuticals, paper and candy (to mention a few) may be affected adversely by fluctuating temperatures and humidities. They may turn soft . . . may take on moisture . . . may "spoil."

Over-all, air conditioning removes many of the variables previously introduced by the passing of the seasons, hot spells, rainy spells and shifting winds in industrial atmospheres. If you'd like to know what air conditioning can do for your business, call the Carrier representative listed in the Classified Telephone Directory. Carrier Corporation, Syracuse, New York.



AIR CONDITIONING • REFRIGERATION



KEYSTONE

"SPECIAL PROCESSED"
COLD HEADING WIRE

EXCELLENT FLOW PROPERTIES
•
PROLONGS DIE LIFE
•
FEWER REJECTIONS
•
REDUCES INSPECTIONS

Production reports prove that Keystone's new "special processed" cold heading wire effects considerable savings in the manufacture of Phillips head, clutch head and cross recessed head screws.

The excellent flow properties of this new wire deliver the desired upsetting and die forming qualities with a high degree of uniformity. Die and plug life are often more than doubled . . . finished product rejections are minimized . . . the cost of expensive final inspection is reduced. The superior plating qualities of "special processed" wire further assure a better finished product.

Regardless of the performance demanded in your wire products, consult Keystone for the materials to meet your most exacting specifications. If special treatment is required, Keystone's metallurgical research and testing facilities are available to supply the answers. Your inquiry is welcomed.



gets put a constant upward pressure under prices.

I. Program for Stability

How can we keep the economy on a steady course? The answers lie in capital formation and investment, monetary and fiscal policy, and wage determination.

The most important factor is the smoothing out of capital-investment fluctuations. This takes a steady flow of funds from profits and new stockholders—and the incentive to use them.

It requires tax reforms to stimulate investment in new stock issues. And it means that businessmen in their investment decisions will have to consider the impact on the economy as a whole. If the ups and downs of investment in plant and equipment can be eliminated, the job of easing the bounces in business will be much simpler.

• **Housing**—Although not so important dollarwise as plant and equipment, the swings in housing investment make for considerable instability. Here the problem is to change the industry from a relatively high-cost producer to a low-cost operator. If housing is to stay at a level of 1-million units a year, a flow of risk capital for mass-producing prefabricated homes is needed. Again, tax reforms would sweeten such investments. Further, standardization of parts, revamping of old building codes, sweeping aside union make-work practices, and rebuilding of old houses are necessary to maintain a high level of building.

• **Public Works**—A further means of leveling out swings is the counter-cyclical scheduling of public construction projects. When times are good, public projects should be kept to a minimum, and a backlog of works put on the shelf. But when private construction and the capital goods industries slide off, public works should be stepped up.

II. Banking and Fiscal Policy

The U.S. should release the Federal Reserve Board from its obligation to support government bonds at par. This would enable the board to control an inflationary increase in bank credit. But banking policy, by itself, isn't enough. The tremendous size of the budget makes government fiscal policy an important weapon for clipping the tops and bottoms off swings.

Ideally, the government should have a surplus in good times and a deficit when things go sour. A budgetary surplus siphons money out of the economy, a deficit pumps more in.

Deficit spending is effective as a shot-in-the-arm only if it steps up capital investment. Therefore, while the gov-

DOING IT THE HARD WAY



*HE COULD HAVE
TELEGRAPHED THIS

TELEGRAMS MEAN BUSINESS

Do it the easy way . . . with telegrams! A Western Union Day Letter is the big, economy size in telegrams—saves time—saves money. Like all telegrams, it gets to the point—gives time to think—yet suggests urgency. It cuts down errors—provides a written record. Increases efficiency all around. Nothing else gets through—gets action—like a Western Union telegram. Get in touch with Western Union for a representative to call and explain how telegrams can help in your business.

WILL BE IN YOUR CITY JUNE 20
WITH NEW LINE INCLUDING AUTO-
MATIC SHUT-OFF. PLEASE WIRE
YOUR MOST CONVENIENT TIME.
REGARDS.
SMITH

You can combine business with pleasure!



You make a business trip a pleasure when you go Pullman.

You enjoy good conversation in the spacious lounge car. You enjoy good food in the railroad dining car. You enjoy a good night's sleep on your soft Pullman bed.

But what you enjoy most is your peace of mind. You know you're safer crossing the country by Pullman than you are crossing the street in traffic. You know you can rely on dependable railroad schedules to get you there on time, right in the center of town.

It's good business to GO PULLMAN

COMFORTABLE, DEPENDABLE, AND—ABOVE ALL—SAFE!



© 1950, THE PULLMAN COMPANY

ernment is running a deficit, the tax structure should be such as to release more investment funds to industry.

III. Wages and Unemployment

Wages should not increase faster than productivity. If they do, they can only bring inflation or unemployment. Further, wages should not absorb all the gain in productivity; some should accrue to profits.

Unemployment is greatest when wages take too large a slice out of national income. In prosperity years, 62% to 64% of national income goes for wages and salaries. In the depression thirties, it got as high as 74%.

It seems to go like this: If labor's share threatens to push over the 64% line, profits are squeezed. If prices can't be raised, investment is cut back and business activity drops.

On the other hand, if labor's share gets too low, somewhere around 60% to 62%, it produces a shortage of purchasing power. With less consumer demand, capital expenditures fall—and then comes the downward spiral.

• **Unemployment**—Government and private employment agencies need improvement. The colleges and universities also need an extensive program for collecting information about job opportunities. They have a duty to see to it that their students are aware of the real employment situation.

• **Unemployment Insurance**—Our unemployment payments are important on two counts: They give workers some form of security; and they provide some purchasing power to offset the loss of wages. In prewar recessions, compensation payments offset only about 10% of wages lost. But, by extending coverage and raising payments, it should be possible to make up at least 30% of wage losses in future recessions.

IV. Forecasting

Some of the techniques to keep the economy on keel are automatic in operation—farm price supports, unemployment insurance payments, and wage contracts that provide for wage adjustments based on productivity. But many devices, such as public works, foreign development programs, or changes in the government's monetary and fiscal policy, don't take effect on schedule.

What is needed is an economic signal system to tell us when to use counter-cyclical measures. The yearly review of the President's Council of Economic Advisers is the most ambitious effort yet to provide these signals. But the council has been too mixed up in politics to serve as an unbiased guide to stabilization policy. An organization divorced from both politics and publicity is called for.

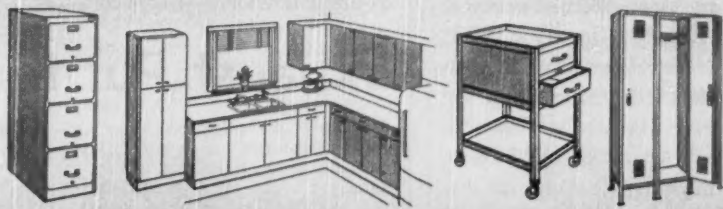
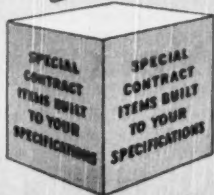
LYON

STEEL EQUIPMENT

OVER
1500
CATALOGED
ITEMS, FOR

**Factories
Shops
Warehouses
Stores
Offices
Institutions
Homes**

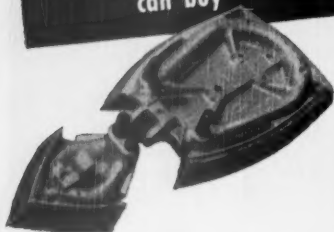
LYON METAL PRODUCTS, INCORPORATED
General Offices: 610 Monroe Avenue, Aurora, Illinois
Factories: AURORA, ILL., YORK, PA., CHICAGO HEIGHTS, ILL.
Sold Nationally through Factory Branches and Dealers



A PARTIAL LIST OF LYON PRODUCTS

- Shelving
- Lockers
- Wood Working Benches
- Economy Locker Racks
- Kitchen Cabinets
- Display Equipment
- Hanging Cabinets
- Welding Benches
- Filing Cabinets
- Cabinet Benches
- Folding Chairs
- Drawing Tables
- Storage Cabinets
- Bench Drawers
- Work Benches
- Drawer Units
- Conveyors
- Shop Boxes
- Bar Racks
- Bin Units
- Tool Stands
- Service Carts
- Hopper Bins
- Parts Cases
- Full Drawer Files
- Tool Trays
- Desks
- Stock
- Tool Boxes
- Sorting Files
- Revolving Bins

**NEED ALUMINUM
DIE CASTINGS?**
Alcoa's 2 modern plants
make the best you
can buy



for example..

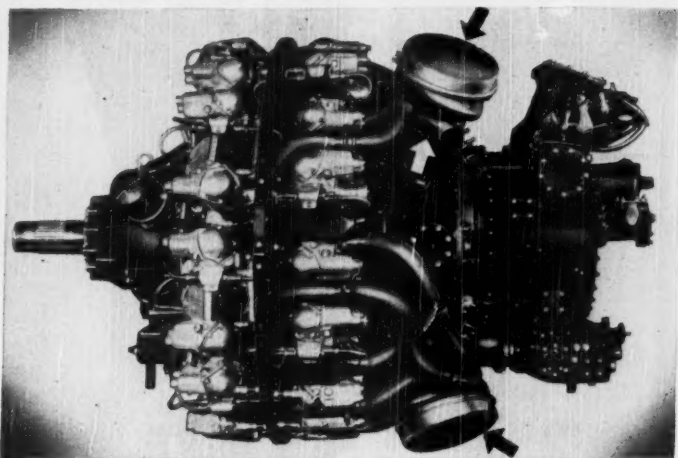
There's a lot of things you demand in a supplier of die castings. Like fast service. Intelligent design help. Quality castings. One word sums them up...DEPENDABILITY.

You can *depend* on getting quotations the day we promise them. You can *depend* on Alcoa's design help based on 62 years of aluminum experience. You can *depend* on the quality of Alcoa castings and the firmness of Alcoa deliveries. Alcoa's built that kind of reputation during 35 years in the die casting business.

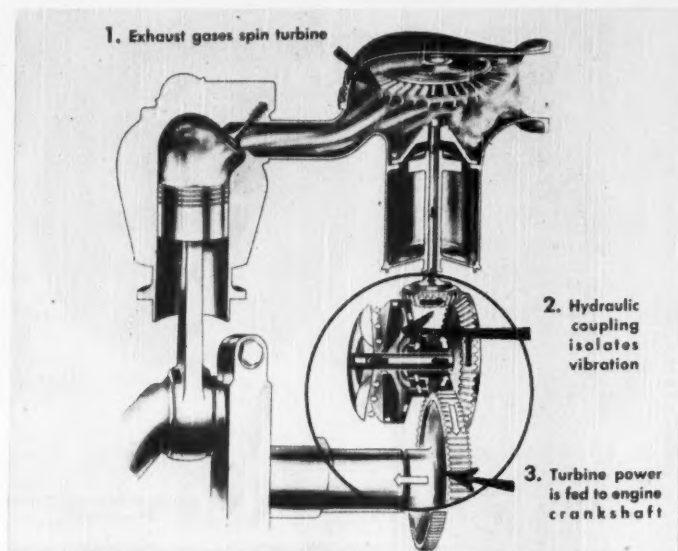
Whether you make flat irons or floodlights, there's an Alcoa specialist near you...ready to serve you. Look under "Aluminum" in your classified phone book. Or write ALUMINUM COMPANY OF AMERICA, 1908F Gulf Building, Pittsburgh 19, Pa.



PRODUCTION



COMPOUND ENGINE gets 20% extra power with exhaust-run turbines (arrow).



TURBINE POWER goes through fluid coupling and bevel gears back to engine crankshaft.

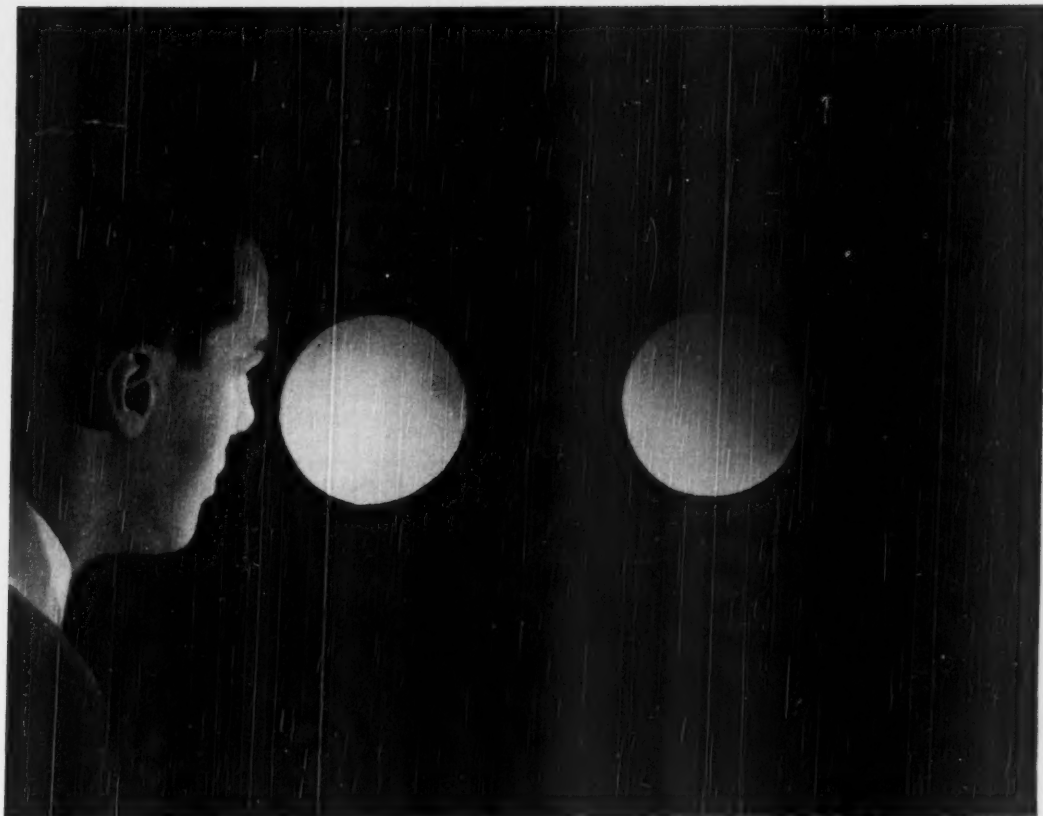
Exhaust Put to Work

Plenty of perfectly good energy goes out the exhaust pipe of an internal combustion engine. If you can manage to harness it somehow, airplane designers will tell you, you can make some big savings.

Last week, that point was soundly proved when representatives of the Navy, Lockheed Aircraft, and Wright Aeronautical Corp. watched a P2V-4

Neptune Navy patrol plane perform. The Navy's Neptune was powered with the latest internal combustion engineering development: Wright's 3,250-hp. Turbo-Cyclone 18.

• **It's Compounded**—The big refinement in the engine is its "compounding." Three turbines, each operated by the exhaust gases from six cylinders, feed extra power back to the engine crank-



Recipe for workable molybdenum:

Cook in a hot oven (4,750°F.) under DPi HIGH VACUUM

IN this high vacuum furnace the metallurgist is taming the metal molybdenum for the jet engine trade.

Molybdenum is a fairly abundant element, and it's been known for years in "moly" steels. Used as a major constituent itself, it is outstanding in its resistance to stress at high temperatures. If, among other things, Hero of Alexandria had molybdenum when he built a toy jet engine some 18 centuries ago, jet propulsion might have become practical then.

But even today you run into problems when you try to melt and cast molybdenum into sizeable masses with the ductility and malleability needed in making precision parts. At the 4,750°F. melting point of molybdenum, any oxygen in contact with it becomes mighty active and troublesome.

High vacuum, of course, provides the solution. In DPi high vacuum furnaces, oxidation and the entrapped gases that cause brittleness are minimized. Metallurgists can go ahead developing new alloys of molybdenum and other metals that promise more compact and efficient power plants.

Yes, in a few short years high vacuum has become an invaluable recourse for the chemist and physicist—a practical production tool for many industries. DPi has become a world center for high vacuum technology. We invite inquiry.

VACUUM EQUIPMENT DEPARTMENT
DISTILLATION PRODUCTS industries
 739 RIDGE ROAD WEST, ROCHESTER 3, N. Y.
 Division of Eastman Kodak Company

*Distillers of Oil-Soluble Vitamins and Other Concentrates
 for Science and Industry; Manufacturers of High Vacuum Equipment.*

DPi

HIGH VACUUM RESEARCH
 AND ENGINEERING

**I SURE LIKE
TO WORK AT MY
NEW GF DESK**



**It's modern...it's metal
...it's America's first
choice...it's a GF desk**

CERTAINLY she likes to work at her new GF desk and so does every office employee who is fortunate enough to have one. GF metal desks in their lustrous gray finish and anodized aluminum trim increase employee morale, improve efficiency, make a favorable impression on your customers and last indefinitely. You might be surprised to learn how little GF desks cost in relation to the good they can do for you. They are truly a worthwhile dollars and "sense" investment as

thousands of large and small companies have proven for themselves. Get the facts. Write for the folder—"GF 1600 Line Desks" and the name of our nearest branch or dealer. The General Fireproofing Company, Dept. 42, Youngstown 1, Ohio.

GENERAL FIREPROOFING



Foremost in Metal Business Furniture
DEALERS THROUGHOUT THE WORLD

© GF Co. 1950

There is a complete line
of GF metal furniture—
desks, tables, chairs, files
and shelving



shaft. This can add 550 hp. to the basic 18-cylinder engine, previously rated at 2,700 hp. Or the engine can operate at 2,700 hp. with up to 20% less fuel consumption.

The Wright job is the only compound engine so far to pass military acceptance tests. It is the first of its type to go into quantity production (Wright has \$18-million in orders for compound engines); and it is the first to be flown in a production airplane. Its development represents a big forward step in internal combustion engines, one that is sure to help them meet current jet and turbine competition.

• **Took Three Years**—What the engineers have done is simple in theory. It's a little tough to put into practice (Wright has been working on the idea three years). During the war, engine designers used exhaust gas to run turbine superchargers that "souped-up" the engines and gave planes better altitude performance. In the new Wright job, six exhaust pipes feed each of three turbines. The power that is generated by each turbine is fed back, through bevel gears and a fluid coupling to the main crankshaft of the engine (picture, page 40).

The fluid coupling—similar to those used on automobiles—keeps the turbine under load at all times, controls its speed, eliminates vibration; and most important of all, the fluid coupling manages to eliminate the need for synchronizing the turbine with the speed of the cylinder pistons.

• **Simple Design**—The hookup is essentially a power recovery system. That recovery accounts for the substantial gain in power. Engineers have succeeded in accomplishing this result without over-complicating the engine design. There is no increase required in cowl diameter; no additional controls are needed for the pilot.

According to Wright engineers, there is only a very slight increase in back pressure as a result of the turbine installations. The compounded engine has the same advantages of improved cooling and reduced fuel consumption that customarily are the results of lowered back pressures in uncompounded engines.

• **More Recovery**—There still is some thrust left in the exhaust after it has passed the turbines. At the present time, Wright engineers are making a study of ways to utilize that thrust to drive a turbosupercharger.

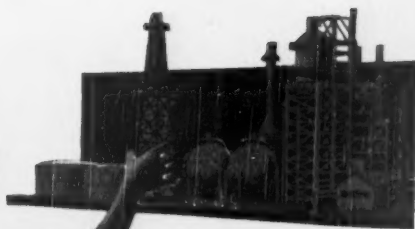
Other engine makers are also working on compounding. Pratt & Whitney has an improved compounded version of its R4360 engine in the works; Allison Division of General Motors has recently been making experiments with a compound version of GM's V-1710 engine.

This will be the cleanest wash yet

She'll be a pleased young lady *this* washday. Because she's reaching for one of the synthetic detergents that are now washday best sellers. Many of these detergents are made with petroleum chemicals. Which is why we put that symbolic oil refinery on her shelf. These new products leave the young lady's clothes shades whiter—her dishes unstreaked. Her scouring powder is better, too, for the petroleum chemicals in it. And her floor wax. Even the nylons and rayons she's washing are made with their help.

Atlantic makes petroleum chemicals. We are one of the major producers of synthetic detergents. They are some of the many petroleum chemicals which we market throughout the world. One of them may enable you to make products which are more useful and less costly.

Write to Chemical Products Section,
The Atlantic Refining Company, 260 S. Broad St.,
Philadelphia 1, Pennsylvania.





*The letterhead paper you'll find
in offices where decisions count!*

Leaders in world trade... men who are helping to chart America's future... recognize the importance of selecting the correct letterhead paper as a business representative.

That's why more and more business leaders now choose Cockletone Bond. They prefer it because its tough, sturdy feel, lively crackle and beautiful shade of white lend added dignity to business messages.

Why not investigate the advantages of this finer letterhead paper for yourself? The moderate cost of Cockletone Bond will surprise you.

THE FINEST LETTERHEAD PAPER EVER PRODUCED BY HAMMERMILL CRAFTSMEN



For the name of a member of the Hammermill Guild of Printers, call Western Union by number and ask for "Operator 25."

SEND COUPON NOW... for Cockletone Bond sample book and portfolio containing printed specimens of good modern letterhead design, which you'll find useful in improving your own letterhead.

Hammermill Paper Company
1455 East Lake Road, Erie, Pennsylvania

Name _____



Position _____

(Please attach to, or write on, your business letterhead)

BW-6-3

LOOK FOR THE **Cockletone** WATERMARK

Magnetic Clutch

Vickers develops line of magnetic clutches that use graphite instead of oil as iron suspension medium.

The magnetic clutch (BW-Dec.18 '48,p48) has graduated into commercial fields. Last week in Washington, the Navy Dept.'s Bureau of Ships took the wraps off an improved magnetic clutch built by Vickers Electrical Division of Vickers, Inc., St. Louis.

A good-sized Navy order for high-frequency motor generator sets for shipboard and submarine power use led Vickers to develop its Magneclutches and Magnebrakes.

Vickers expects to have a standard line of clutches—useful in some machine tool and servo applications—available soon.

• **Background**—The Vickers clutch is a direct descendant of the magnetic clutch invented by Jacob Rabinow of the National Bureau of Standards and announced in 1948 (BW-Apr.10'48, p72).

NBS reports that over 2,000 companies, both here and abroad, have expressed interest in its basic clutch idea. Industry thought it would be useful for power machinery control and in the automotive field. Well over 1,000 companies have sent representatives to give the clutch a closer look-see.

• **How It Works**—The NBS clutch uses magnetic principles in this way: Iron particles are suspended in oil between the driving and driven part. When a magnetic field is placed across the particles, they cling to each other and to the driving and driven members and so transform the fluid oil and iron mixture into a rigid connection. By varying the amount of electrical force, the degree of "grab" can be varied to obtain a "slipping" action.

NBS still works with an oil medium in its clutch development. But Vickers uses iron powder in graphite. The company says that graphite does away with sealing and evaporation problems.

NBS, which has built both oil and graphite clutches, still prefers the oil type because it is smoother. Most of the companies developing magnetic clutches, excepting Vickers, go along with the NBS preference for a liquid mixture. But the liquid types may be more costly to manufacture.

• **Advantages**—Whether the suspension medium is liquid or dry, magnetic clutches have these advantages: (1) high torque for relatively small size, for on-off applications; (2) low power requirements; (3) can be slipped continuously without wear, and yet can be locked to

Mono-Cushion

Cushion
all the way through

No cushion tire does a better job of soaking up bumps and jolts than Mono-Cushion. Rubber especially compounded for resilience plus contour designed for maximum shock absorption does the trick.



Tough
all the way through

This baby is all muscle — resilient, highly wear-resistant rubber right down to the rim. Mono-Cushions are built with plenty of beef, designed with just one thing in mind: To knock a big chunk off your tire costs.



THE NEW
MONARCH INDUSTRIAL
CUSHION TIRE

Adds up...

... to an easy ride for drivers, less breakage in loads, less vehicle maintenance, lower tire costs.

The leading manufacturers of industrial trucks use Mono-Cushions as original equipment. Replacements available from the manufacturer of your equipment or his service branches.



THE

MONARCH

RUBBER COMPANY

100 LINCOLN PARK • HARTVILLE, OHIO
SPECIALISTS IN INDUSTRIAL SOLID TIRES

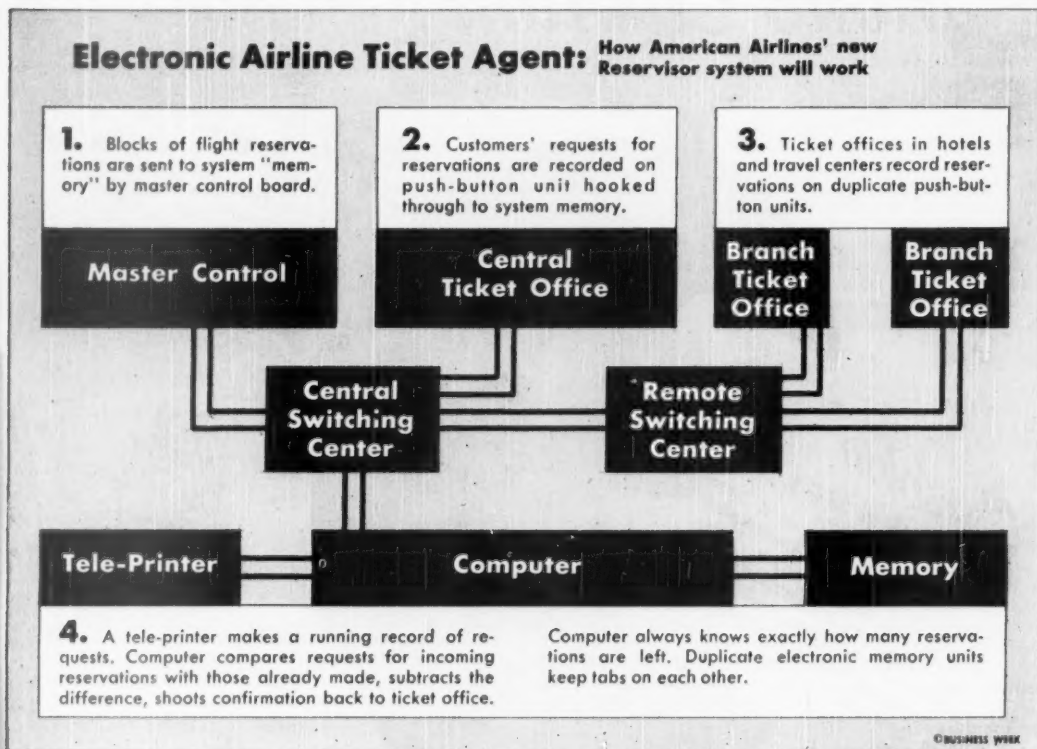
transmit power at no slip; (4) torque essentially independent of slip. (That is, torque available at the start is still available when the load is almost up to speed.)

• **Pressurizing**—Since any clutch dissipates energy in the form of heat when

it slips, high temperatures inside the clutch are a problem. NBS found that pressurizing the oil and iron mixture within its clutch permits operation at higher temperatures and prevents evaporation of the oil. It also stabilizes the mixture chemically, and prevents intake

of oxygen which causes deterioration of the mix and the steel components.

The magnetic fluid clutch uses a readily available commercial seal. It can work under the temperatures and pressures encountered in automotive fluid drives. These reach 500F, and 50 p.s.i.



How to Speed Up Air Reservations

The magnetic memory—the nerve center of most electronic computing machines—is going to run an electronic reservation system for American Airlines.

The system called the Reservisor (chart, above) goes into operation next year in the airlines' offices in New York City and Newark, N. J. Manufactured and installed by Teleregister Corp., Reservisor will just about eliminate all the human elements that cause mixups for passengers in processing reservations.

• **Punch It**—At a typical American Airlines ticket office, a passenger will see only a small metal box that looks something like an adding machine. A ticket agent will punch out a request for the reservation on the keys of the unit. In a few seconds, the passenger gets confirmation or rejection of his request by an answer signal from the box.

Electronic equipment does all the brainwork involved in making the reservation. In effect, the equipment is a specialized electronic computer hooked up to a party line. That links every reservation office in the system. When somebody makes a reservation, the system remembers it; no one else can get that seat. American figures that its system will handle 50 to 60 requests a minute in the Manhattan-Newark area.

• **Long Memory**—Reservisor will never forget. A breakdown during a peak period of reservation requests might cause temporary amnesia, but once repaired, the memory returns without forgetting a syllable of information registered on the system before breakdown.

To speed up repair work, each electronic tube circuit—there are hundreds of them—is built into a standardized plug-in unit. The standardized units,

which all look alike, come in 31 different circuit arrangements. When a bad tube or bum circuit part is spotted by a maintenance man, he pulls it out and replaces it with a new unit of appropriate circuit design.

• **Application**—American first started development work with automatic reservation systems with a prototype of Reservisor in Boston. But compared with the New York-Newark system, the Boston version is as outmoded as a manually operated telephone switchboard.

American thinks that its system might have applications outside the field of reservation work. In materials handling, for example, it could control inventories for organizations with far-flung operations. Or it could supply demand information on car loadings, trips, and sales routes.

Humidity Extremes...



Can Take the Joy Out of Life!

A MAN'S favorite smoke can become his pet peeve when humidity plays tricks on tobacco! More than you might think, the taste of a cigarette depends on the moisture condition of the tobacco. Tobacco dried out in the arid atmosphere of steam-heated buildings makes a cigarette taste harsh and hot. Under conditions of excessive humidity, such as encountered at the seashore, cigarettes become soggy and smoke "heavy."

Moisture-conditioning cigarettes is the one way to make sure they stand up under the punishment of humidity extremes. And nothing does this job of humectifying quite like sorbitol—"Nature's own conditioner." Sorbitol "stays put" under extremes of humidity . . . does not break down or evaporate in use.

Once sorbitol was scarce and costly. It was available in small quantities only from certain fruits and berries. Today, the picture is different! Atlas produces sorbitol in commercial quantities—by the carload if you like—from sugar. And industry uses Atlas sorbitol to moisture-condition such products as tobacco, textiles, gaskets, glues, paper specialties, cosmetics, foods, and pharmaceuticals.

The development of sorbitol as a plentiful and inexpensive conditioner is typically Atlas . . . typical of how Atlas Research helps industry find ways of holding down costs while improving product quality. If your production efforts are in the range of Atlas products—explosives, chemicals, finishes, roll covers—our technical and engineering staffs are at your service.



ATLAS

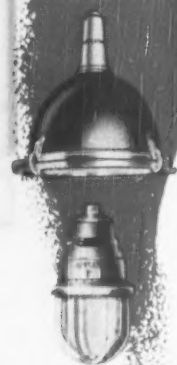
POWDER COMPANY
WILMINGTON 99, DELAWARE
Offices in Principal Cities

Industrial Explosives • Industrial Finishes • Laundry Covers • Acids
Activated Carbons • Hexahydric Alcohols • Surface Active Agents

**GOOD LIGHT...
A GILT-EDGED
INVESTMENT**



**APPLETON
LIGHTING EQUIPMENT**



Good light pays big dividends in increased efficiency, greater profits—better employee relations.

Appleton Industrial Lighting Equipment is scientifically designed to provide *good light*—the right light, without uncomfortable glare, troublesome contrast or shadow. Expert engineering, unequalled manufacturing facilities and a half century of experience are combined in each Appleton Fixture to provide maximum efficiency at minimum installation, service and operating cost.

Appleton Lighting Fixtures are made to suit every industrial requirement—including hazardous locations—whether indoors or out. For the finest illuminating equipment or expert assistance on any lighting problem, contact Appleton—Standard For Better Lighting.

Sold Through Electrical Wholesalers

APPLETON ELECTRIC COMPANY

1750 Wellington Avenue • Chicago 13, Illinois

Branch Offices and Resident Representatives in All Principal Markets



APPLETON

CONDUIT FITTINGS • LIGHTING EQUIPMENT • OUTLET AND
SWITCH BOXES • EXPLOSION-PROOF FITTINGS • REELITES

PRODUCTION BRIEFS

Brick and tile research will center at Armour Research Foundation, Chicago. Structural Clay Products Institute made the decision as the first step in the industry's \$14-million research program.

Sewage sludge gas will operate supercharged, dual-fuel engines now being installed in Bay Park, Long Island. The engines, made by Worthington Pump & Machinery Corp., will drive generating and ventilating equipment. The installation is part of Nassau County's \$7.5-million sewage project.

Output of foamed-rubber products will be stepped up by Firestone Tire & Rubber Co. The company will start building a new \$2.5-million plant next month in Fall River, Mass.

A coating for airfields, developed by U. S. Rubber, cuts down the damage to pavements caused by fuel spilled from jet planes. A solvent-resistant rubber, it is mixed with tar to form a surface that withstands the dissolving effects of the kerosene-type fuel.

Baking pans are "burned in" during manufacture by an oxidizing process of Ekco Products Co. It eliminates having the customers treat the pans before they put them into service.

Temperatures up to 7,000F can be measured and controlled with a recently developed pyrometer-potentiometer combination. Brown Industrial Division, Minneapolis-Honeywell Regulator Co., is producing the device for nuclear research.

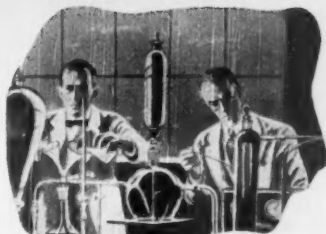
Two new expansions are under way at RCA's Victor Division. At Cannonsburg, Pa., it will build a radio plant with a capacity of 1-million sets a year; at Harrison, N. J., it will expand tube output.

The laminated-plastic maker, Panelyte Division, St. Regis Paper Co., is going into injection-molding of plastics. Reason: Panelyte's big business is in the refrigerator field, and injection-molded plastics are now being used widely in refrigerators.

Product-development and industry-servicing are the two basic jobs to be done in a new \$1-million research laboratory of Solvay Process Division, Allied Chemical & Dye Corp., at Syracuse, N. Y. This is an alkali lab; Solvay does nitrogen research at Hopewell, Va.



To watch for economy in the new engines, along with their stepped-up power, cars are run constantly at the GM Proving Ground with gasoline consumption measured by the ounce.



To lift automotive power to new levels, research had to explore, molecule by molecule, the deepest secrets of fuels, as well as metals and finished engines.

Key to purring power

You'll find one of the big news stories for 1950 motoring right in General Motors engines.

With high-compression performance, these power plants are designed to get the *utmost* out of today's fuels.

And this demonstrates the dramatic results that can come from constant striving to make things better. For it all grew out of a purposeful search in research, engineer-

ing and production — a search for more efficient automotive power.

The end-results of this work are more and more horsepower per pound of engine — more and more mileage per gallon of gasoline — and smoother, longer-lasting engines.

In short, you get power that adds a plus to GM value. Any dealer in GM cars can show you how and why.



To help make high-compression engines that deliver smooth-running power, sensitive eyes, ears and instruments study them in action, probing always for facts that lead to better performance.

THE KEY TO A GENERAL MOTORS

Your key to
Greater Value



"MORE AND BETTER THINGS FOR MORE PEOPLE"

GENERAL MOTORS

CHEVROLET • PONTIAC • OLDSMOBILE • BUICK • CADILLAC • BODY BY FISHER • GMC TRUCK & COACH

Hear HENRY J. TAYLOR on the air every Monday evening over the ABC Network, coast to coast.

Don't Walk... *TALK!*



THE **NEW** EXECUTONE INTERCOM

**Saves steps, increases
output, cuts costs!**

Compute the cost of time wasted by executives and employees running back and forth. *That's how much* the new Executone Intercom can save you! Your voice—with lightning speed—gets information, gives instructions. Your employees accomplish more, too, with inter-departmental communication. "Inside calls" no longer tie up telephone lines. Office and plant operate at a new peak of efficiency!

**Years ahead of its time
in operation and design!**

"CHIME-MATIC" Signalling announces calls with a soft chime and signal light, saves time on every call. New switching circuits for every need make new savings possible. Voices are clearer, distinct, instantly recognizable. Inexpensive 2 station system easily expanded. See it—no obligation. Just mail the coupon.

Executone

**GET THE
FACTS**

**COMMUNICATION AND
SOUND SYSTEMS**

EXECUTONE, INC., Dept. F-1
415 Lexington Ave., New York 17, N. Y.

Without obligation, please let me have:

- ☐ The name of your local Distributor
☐ Complete descriptive literature

NAME _____

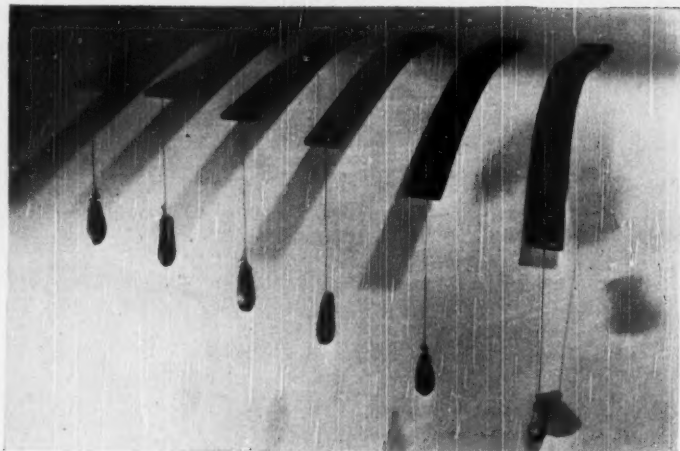
FIRM _____

ADDRESS _____

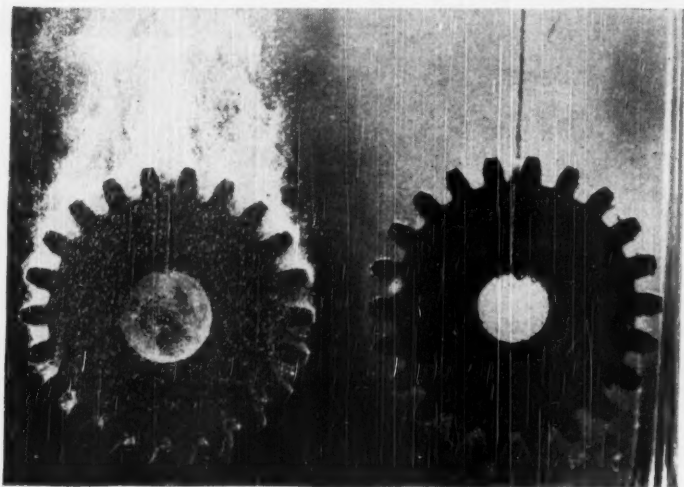
CITY _____

In Canada—331 Bartlett Ave., Toronto

NEW PRODUCTS



ENRUP FITS IN between hard rubber (left) and soft rubber (right).



CORROSION RESISTANT Enrup gear (right) resists acid.

Hard, Soft, and Corrosion Resistant

Enrup, a compound developed by U.S. Rubber, can be hard or soft, elastic or brittle. It molds well, is good for making gears.

U.S. Rubber Co. has developed a thermosetting compound call Enrup that fills the gap between hard rubber and soft rubber. The material—a mixture of nitrile rubber and a thermosetting resin, presumably a phenolic—is made in varying degrees of flexibility from elastic to brittle.

• **Good for Gears**—U.S. Rubber recommends Enrup for the manufacture of high-strength low-cost gears to replace

metal gears in equipment such as heavy-duty lathes, household appliances, or automotive timing devices. The compound is particularly suited for washing machine parts where it has high resistance to the newer type of synthetic detergents. Enrup gears can be molded in one piece to close tolerances eliminating costly finishing operations.

Enrup can be molded economically into complicated shapes by either com-



Whether you haul crushed rock or carrots



NEW INTERNATIONAL TRUCKS

are Heavy-Duty Engineered to save you money

The kind of heavy-duty engineering that helps your wallet is yours now in every single new International Truck from 4,200 to 90,000 pounds gross vehicle weight.

What kind of heavy-duty engineering is that? It's the extra-value engineering that kept Internationals first in heavy-duty truck sales for 18 straight years.

How does it save you money? Let America's most cost-conscious, profit-minded truck users answer! Heavy-duty truck buyers have preferred Internationals year after year because International Truck performance is long life, low operating and maintenance cost performance.

Why is it yours now in every single International Truck? Because the same organization which kept Internationals a

tradition in the heavy-duty truck field has developed every single new International. No matter what size truck you use, there's a heavy-duty engineered International Truck that's right for you!

Every truck in the line features the Comfo-Vision Cab. It's under you, in those easy-riding cushions. It supports you, in that adjustable seat. It's in front of you, in that giant one-piece Sweep-sight windshield. It surrounds you, thanks to those controlled ventilation systems.

It's right at your fingertips when you take that husky wheel. And when it comes to positive control and Super-Maneuverability—well, mister, just try a new International and you'll know how much easier your days at the wheel can be!

Every truck in the line proved under actual operating conditions. "Proved under actual operating conditions" takes in years of time, millions of dollars, countless miles. But these new Internationals took in all those—to give you proved-in-advance performance.

No matter what kinds of roads or loads, climate or conditions your trucks must meet, there's a new International that has been proved right for your requirements.

Get all the facts from your nearest International Truck Dealer or Branch, soon.

International Harvester Builds McCormick Farm Equipment and Farmall Tractors . . . Motor Trucks Industrial Power . . . Refrigerators and Freezers



Tune in James Melton and "Harvest of Stars," NBC, Sunday afternoons

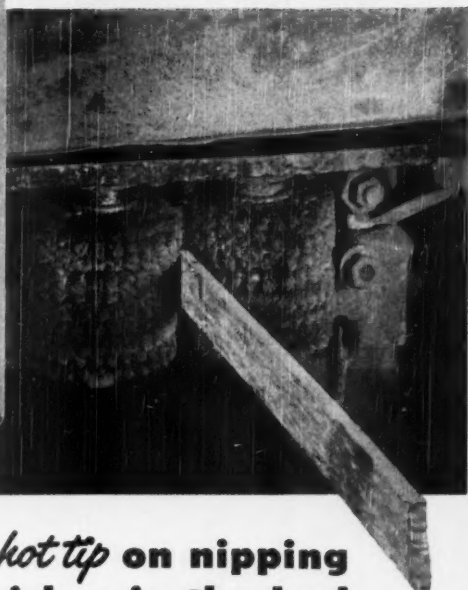
ALL NEW, ALL PROVED

INTERNATIONAL TRUCKS

INTERNATIONAL HARVESTER COMPANY CHICAGO



● Untouched photo of $\frac{1}{8}$ " x $\frac{1}{8}$ " finished bar (actual size) showing how brushing eliminates rolled-in scale.



Red-hot tip on nipping steel blemishes in the bud

SECONDARY SCALE . . . the hard material that gouges its way into steel bars during rolling . . . has been eliminated by Osborn Brushing.

Progressive steel mills, intent on improving the finish of bar stock, are removing this hard scale by brushing the bars during rolling . . . at speeds up to 1,000 feet per minute . . . with Osborn Power Driven Disc-Center® Wire Wheel Brushes.

Red hot steel coming through the mill shoots through a twin set of counter-rotating Osborn brushes.

This is another example where an Osborn Brushing Analyst has worked with a progressive manufacturer on problems of cleaning, finishing or polishing to improve products

*Trademark

and cut costs. His services, backed by Osborn's extensive technical facilities, are yours for the asking. He will gladly show you how you, too, can benefit from new Osborn brushing techniques. Ask today for an **OBA!** The Osborn Manufacturing Company, Dept. 288, 5401 Hamilton Avenue, Cleveland 14, Ohio.

YOU CAN IMPROVE FINISH AND CUT COSTS BY BRUSHING

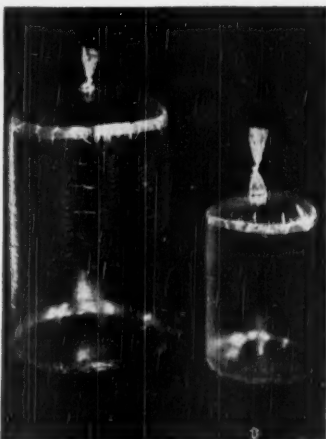


LOOK FOR THE NAME **OSBORN**  RECOGNIZED EVERYWHERE FOR THOROUGH APPLICATION ENGINEERING

pression or transfer methods. Parts made from the plastic can also be turned out on standard rubber processing equipment.

• **Tests**—Gears made of Enrup have been test-run for more than a year in operations where conventional metal gears have failed within weeks.

In laboratory tests, Enrup has demonstrated toughness to abrasion, and resistance to oils, solvents, acids, and mild alkalis. Its high dielectric strength makes it a good electrical insulator. The material, according to U. S. Rubber, can operate safely at temperatures up to 250F.



PLASTIC BAGS FOR LIQUIDS

Manufacturers of corrosive liquids can ease their shipping problems with ethylene plastic bags made by Electronic Wave Products, Inc., 15 E. 22nd St., New York.

These bags are used as liners inside steel or fiber containers of capacities from 5 gal. to 55 gal. With a full load, the plastic just fits the contour of the container. That way, no strain from the load is placed on the seams or closure of the plastic. The load is all carried by the container itself. There are no folds or creases inside the liner in which the product can accumulate.

Liners come with a tie-type spout, or a semirigid spout that's capped with a threaded top. The plastic film that is used in the liners is 0.004 in. thick.

AUTOMATIC WINDUP

The problem of maintaining constant tension and speed on winding operations is cleared up by Hydro-Wynd, a product of Twin Disc Clutch Co., Racine, Wis.

The unit eliminates jerking when you wind paper, plastics, or textiles by automatically maintaining predetermined



**IF MINERALS ARE IMPORTANT
IN YOUR BUSINESS . . .**

**Let the Plant Location Specialists
of the N&W tell you about**

the *Land of Plenty* *



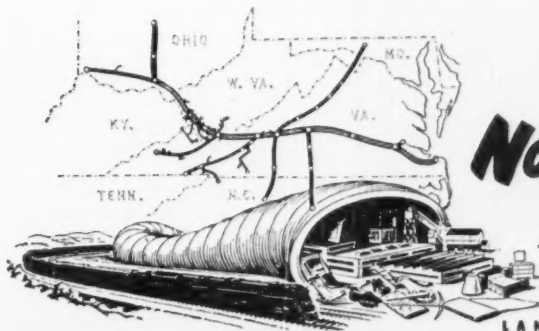
In the Land of Plenty there are varied deposits of minerals — some utilized in great quantity, others developed in lesser volume, and some not developed at all, yet perhaps the very thing you're looking for.

If minerals, as raw materials, are an important part of your manufacturing program, write to the *Industrial and Agricultural*

*Department, Norfolk and Western Railway,
Drawer B-306, Roanoke, Virginia.*

Let the Norfolk and Western's plant location specialists tell you in confidence and without obligation, specifically what the Land of Plenty offers your particular type of manufacturing. This information can be of great value to you.

Write for the helpful booklets, "Mineral Resources Along the Line of the Norfolk and Western" and "Industrial Opportunities In The Land of Plenty."



**Norfolk and Western
RAILWAY**

* *The Land of Plenty* — the six great states served by the Norfolk and Western — Virginia, West Virginia, North Carolina, Ohio, Maryland and Kentucky.

LAND OF PLENTY

It's quieter these days in BUFFALO

How important is quiet? Perhaps you've never thought much about it, but in Buffalo, businessmen have found that quiet boosts employee efficiency, adds comfort, and pleases customers.

Acoustical ceilings of Armstrong's Cushiontone® are providing these advantages in hundreds of businesses and institutions in the Buffalo area. Wildroot Company, Inc., Edward J. Meyer Memorial Hospital, Sloan High School, and Rich Products Corporation are just a few of them.

Armstrong's Cushiontone is stopping noise in thousands of other cities, too. Businessmen like its many practical features. Cushiontone ceilings are high in noise-quieting efficiency — low in cost — washable — repaintable — quickly installed.

Free booklet, "How to Select an Acoustical Material," gives complete information. Write for it. Armstrong Cork Company, 5006 Walnut Street, Lancaster, Pennsylvania.

*Cushiontone ceilings installed by
Davis - Fetch & Co., Inc., of Buffalo*

ARMSTRONG'S CUSHIONTONE

Made by the Makers of Armstrong's Linoleum and Asphalt Tile

speeds and tension without intermittent adjustment.

Hydro-Wynd combines an hydraulic coupling with planetary gearing. It connects between a power source such as an electric motor and the winding equipment itself. As the load on the winding equipment increases or decreases, Hydro-Wynd increases or decreases torque output proportionally.

Where controlled tension is necessary in spite of daily changes in materials, weights, or speeds, a variable-speed drive is used with the drive unit. When predetermined speeds and tension have been set, no further adjustments are necessary.

TIMER CUTS OFF SPRINKLERS

Lawns and gardens can be protected from overwatering by a new low-cost timer that automatically turns off hoses and sprinklers.

Technical Services, 750 Station M, Pasadena 19, Calif., says the device can be set for periods of 4, 1 and 1½ hours. The timer hooks in between a hose and any standard threaded faucet. After the faucet is turned on, the timer is changed from untimed to timed operation by turning a control knob.

Minerals and other materials usually present in water systems won't affect the operation of the timer, says the maker. Another model suitable for use with pipe-threaded fittings will be available soon.

NEW PRODUCTS BRIEFS

A selenium-type rectifier for cathode-ray equipment and Geiger Mueller counters has a special plate for use on low d.c. circuits. The maker: Bradley Laboratories, 82 Meadow St., New Haven, Conn.

An antirust paint with an oil base can be applied to damp as well as dry surfaces. It will finish either new metal or surfaces that have already been rusted. The manufacturer is United Laboratories, Inc., 16801 Euclid Ave., Cleveland 12.

A versatile desk has interchangeable tops, pedestals, drawers, and bases. There is also built-in space for telephone wiring. It's a product of Berger Mfg. Division, Republic Steel Corp., Cleveland 27.

A hang-it-up board is punched with more than 450 holes. Specially designed hooks fit into the holes to accommodate kitchen utensils, tools, or clothes. The company is B. B. Butler Mfg. Co., 3432 N. Avondale Ave., Chicago 18.

BUSINESS IN MOTION

To our Colleagues in American Business ...

● Quite a number of years ago Revere coined the phrase "Bubbles have teeth." This refers to the fact that what is called air entrainment is highly damaging to condenser tubes. Bubbles carried along with the cooling water set up a strong disturbance in it, disrupting the film that should protect the metal, and actually seeming to eat away the tube. The oxygen contained in the air bubbles also is destructive. Fortunately, the effects of air entrainment on condenser tubes are sufficiently distinctive to permit Revere Research to detect the trouble by examination of short lengths cut from tubes that have failed before their time.

Thus it happens that every once in a while the Research Department in Rome, New York, working through the Technical Advisory Service, is able to say that there is air leaking into a condenser it has never seen, in a far-off state. The problem then is to seal the water system against the entrance of air. This is not always an easy task, and it is one that the Revere Technical Advisory Service is glad to tackle together with the customer if asked to do so. After all, we want our condenser tubes to last as long as possible; that's what makes customers happy, and builds and preserves our reputation as producers of fine tubes.

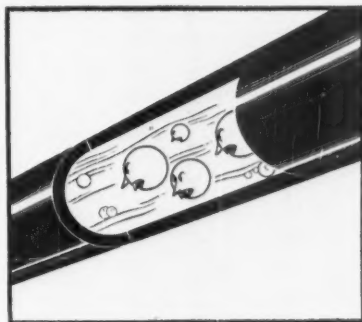
In one such instance of bubble trouble, the operator, a public utility, could find no visible sign of a leak. Checking and tightening every bolt and seal produced no results. Finally it was decided to put plate glass windows in some of the inspection plates, in order to see what was going on inside. This lo-

cated the defect, a stream of bubbles being easily seen pouring out of a gasket. The water was flowing past that gasket with sufficient velocity to suck air in, and was moving too fast to leak out.

In another instance, a few samples of failed tubes from an oil refinery (located almost 3,000 miles away from the utility) were sent to Revere's Research Department. The refiner was told that his trouble was due to bubbles. Again, a check of the condenser showed nothing. The water inlet and outlet lines and all gaskets and bolts seemed to be perfectly tight. Here was another

puzzler. But once again it seemed plausible to assume that air was being drawn in where water velocity was high enough to create a suction. The search finally went all the way back to the water pumping station, where two cracked castings were located. Air sucked in through two tiny cracks was enough to do a lot of damage; bubbles do indeed have teeth.

You can see that Revere wants its customers to be satisfied, and to that end sometimes goes to great lengths to look into conditions for which it may be in no way responsible. This attitude is typical of American business; every company rightly regards the satisfied customer as a precious asset, the source of orders that support the business and its employees. Therefore it is suggested that if any product you buy for use in your business is not completely satisfactory, let the supplier know, even if you are sure the trouble is not his fault. He will be glad to cooperate with you in a search for satisfaction.



REVERE COPPER AND BRASS INCORPORATED

Founded by Paul Revere in 1801

☆ ☆ ☆

Executive Offices:

230 Park Avenue, New York 17, N. Y.

winning
friends
everywhere!

Note to me:

Be sure to tell the boss
about the new Sure-Rite
Green Film Stencils. They're
easier on the eyes... and
eliminate those annoying
chop outs... tell boss the
letters are easier to proof
read... no type cleaning
...copy looks like print-
ing... fully guaranteed.

The SURE-RITE Green Film Stencil and the SURE-RITE 999 Speedry Ink

Save work, save time, save money... increase efficiency. Get this new, finer ink-stencil duplicating combination today! See your dealer!

SURE-RITE
DUPLICATING
SUPPLIES

American Stencil
Mfg. Co.
Denver 5, Colo.

American Stencil Mfg. Co.

Denver 5, Colorado
Rush my free sample Sure-Rite Green Film Stencil for testing.

Name _____

Address _____

City _____

State _____

DEALERS EVERYWHERE

TAXES

Gifts Are Depreciable, Too

Supreme Court rules that, for tax purposes, companies can depreciate property received as a gift or bought with gifts of cash. Decision makes cities' inducements for new business more attractive.

For years, local groups have been luring businesses to their communities by offering tempting inducements in the way of property or cash. Now, the Supreme Court has handed down a decision that makes these offers even more attractive.

• **Depreciated Gifts**—In principle, the court's ruling is fairly simple: For tax purposes, a company is entitled to depreciate property received as a gift, or bought with gifts of cash. Once businessmen discover how big a saving this decision can mean, a lot of companies are going to find that they can hardly afford to turn civic offers down.

The case involved a big shoe manufacturer with plants located in Illinois, Indiana, Missouri, and Tennessee. From 1914 to 1939, the company was approached by citizens' groups from a score of towns, each wanting the company to set up shop within its limits. Most were willing to pay handsomely to get the business.

• **Took 12**—The shoemaker took up 12 of these offers. It signed contracts which netted \$886,000 in cash and \$85,000 in buildings. In return, the company promised to construct factories and meet minimum payrolls continuously for periods ranging up to 10 years.

The company did more than carry out its end of the bargains. In each town, the company spent more on plant and equipment than the community had given it.

Every year, for accounting purposes, the company set aside, from operating income, a fixed percentage of the cost of its physical assets; the money was earmarked for eventual replacement. It was deducted from profits before taxes.

• **Disallowed**—After checking the company's returns for several years, the Bureau of Internal Revenue disallowed the depreciation taken on assets received as gifts or purchased with gifts of cash. BIR billed the company for \$47,000 in additional taxes owed for just a two-year period.

The bureau took the position that the company was not entitled to the depreciation because it hadn't really paid for the property in the first place; how can one recover costs that were never incurred?

The company appealed to the U.S. Tax Court and then again to the Fed-

eral Circuit Court. Both tribunals upheld the bureau. So the company asked the Supreme Court for a final review.

The company based its last appeal on sections of the revenue code dealing with gifts—sections that say, in effect, that recipients of a gift can depreciate the gift just as if they were the donors. In addition, the company argued, the code permits depreciation of contributions to capital regardless of the source.

• **Opinion**—Justice Tom Clark, who wrote the opinion for the majority, agreed with the company and reversed the lower courts. His decision went on to say:

"The assets received . . . are being used by [the company] in the operation of its business. They will in time wear out, and if [the company] is to continue in business, the physical plant must eventually be replaced. Looking as they do toward business continuity, the internal revenue code's depreciation provisions . . . would seem to envision allowance of a depreciation deduction in a situation like this."

The case also involved the same issue in slightly different form—whether gifts were part of the invested capital used in computing wartime excess-profits taxes. The court ruled that they were—in practically the same language it used to settle the depreciation question (*Brown Shoe Co. v. Com. Supreme Court No. 445—October Term, 1949*).

Tax Fraud Confessors May Go Free

If the House Ways & Means Committee has its way, the Bureau of Internal Revenue hereafter will have to go easy on tax evaders who confess.

• **Immunity**—The House committee (now writing up the 1950 tax bill) has voted to grant immunity from criminal prosecution to taxpayers who make voluntary disclosures of fraud. Confessors have no such immunity now, though BIR usually doesn't press charges if disclosure is made before its agents go into action (*BW—Apr. 8 '50, p42*).

If the committee's bill becomes law, the bureau will issue regulations, setting a deadline on the time within

Gems from gems



The man at the right is bringing out the beauty of a topaz. And he's using a resin-bonded grinding wheel impregnated with particles of diamonds, probably one of the wheels that Raybestos-Manhattan specializes in making. For it takes the precision of such a diamond wheel to cut and shape semi-precious stones, just as it does to grind the carbides and carbide-tipped tools of industry.

Where precision counts... and grinding wheels are needed... industry turns to R/M. For R/M has a quality line of grinding wheels... diamond, abrasive, and finishing... each one made for a special purpose, each one custom-made for the job. And engineers trained by R/M... men who know from experience how to effect measures of efficiency, economy, and safety... survey and service every operation on which R/M wheels are used.

But a complete line of special-purpose grinding wheels forms only a small part of the production of the four great R/M plants and laboratories specializing in asbestos and rubber products. Almost every phase of industry... indeed almost every individual... is served by something R/M makes. Take, for example, R/M STOP AND GO products... brake lining, brake blocks, fan belts, and clutch facings... which have made R/M the world's leading supplier for automotive, industrial, and aviation equipment.

If you have an industrial or automotive need, take advantage of this wealth of experience. Get in touch with the proper R/M representative by writing to Raybestos-Manhattan, Inc., Passaic, New Jersey.

RAYBESTOS-MANHATTAN, INC.



Manufacturers of Brake Linings • Brake Blocks • Clutch Facings • Fan Belts • Hose Mechanical Rubber Products • Rubber Greases • Asbestos Textiles • Packings • Powdered Metal Products • Abrasive and Diamond Wheels • Bowling Balls

SPECIALISTS IN ASBESTOS and RUBBER PRODUCTS

MANUFACTURING DIVISIONS

General Asbestos & Rubber Division
No. Charleston, S.C.

Manhattan Rubber Division
Passaic, N.J.

Raybestos Division
Bridgeport, Conn.

U.S. Asbestos... Grey-Rock Division
Manheim, Pa.



Ideal Indiana Offers You

Livability



Yes... *Indiana is Ideal* For Livability

Happy in living! Happy in work!

● This is true when you live and work in Ideal Indiana. The Hoosier state provides ideal "livability" for its citizens. Indiana is unsurpassed in recreational facilities. Her beautiful state parks, scenic camp sites, miles of fishable streams, hunting areas, and year 'round sports program offer a wide variety of relaxing places to go, things to do. Indiana has an excellent educational system. Grade schools and high schools are conveniently located in both rural and urban communities. Too, you will immediately feel at home in Indiana, because of the warm-friendly Hoosier hospitality. The doors of Hoosierland are open for all!

● Besides Livability, Indiana also offers manufacturers firm Power, adequate Transportation, fine Labor, fair Taxes and abundant Raw Materials.

Write for our booklet,
"Industrial Facts About Indiana." Please give
company name when writing.

Indiana

DEPARTMENT OF COMMERCE and PUBLIC RELATIONS
Department 306B • State House • Indianapolis, Indiana

which disclosures will have to be made. Such disclosure would automatically block referral of a case to the Justice Dept. for prosecution.

● **More Revenue**—Committee members expect the change will reassure taxpayers who want to clear their consciences but who fear jail. They think the move would result in swelling government revenues by several hundred million dollars.

Tax Check

Tax returns of small business will get close audit in BIR's second sample survey. Aim is to find where errors are common.

1949 tax returns of small businesses—with assets of \$250,000 or less—will get extra-close scrutiny by Bureau of Internal Revenue auditors this year in the bureau's second annual sample audit. Last year, only tax returns of individuals were singled out.

● **Pitfalls**—Purpose of the sample survey is to give BIR a clear picture of what mistakes—intentional or unintentional—are commonly made on returns, and how they might be prevented.

Specifically, BIR wants to find out: (1) what loopholes exist in the tax code and how much revenue they cost; (2) what errors taxpayers make most frequently; and (3) what are the simplest, most understandable tax forms to use.

● **Smaller Sample**—BIR plans to use a sample that is slightly smaller than last year's of 160,000 returns. About one-third of the sample will be business taxpayers, the rest individuals. The sample will be chosen at random to get a representative cross-section.

Once selected, the sample will be turned over to a special corps of auditors, entirely separate from those who normally scrutinize all high bracket returns.

The audit won't be confined to income-tax returns alone. BIR will look into withholding and social-security taxes and retail excises, too. Agents will use one kind of return to cross-check against others, catch errors or evasions from discrepancies.

● **Forewarned**—The bureau already has a general idea of the kind of errors it will uncover from last year's survey of individual returns. That sample showed that more than a quarter of the nation's 52-million taxpayers had filed erroneous returns. The errors totaled about \$1.5-billion—mostly on the short side.

On the strength of the findings of last year's survey, the House Ways & Means Committee voted to put a provision for the withholding of corporate dividends into the 1950 tax bill.

this welding rod makes scrap heaps obsolete



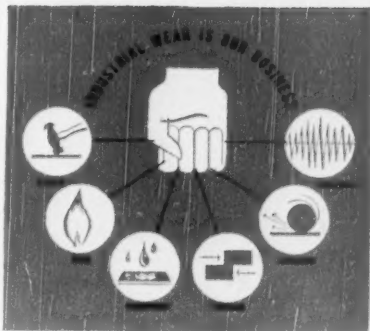
A FORTUNE— RECLAIMED BY HARDFACING

600% increase in the life of hammers pulverizing asphalt roofing trimmings—bulldozer blades last 15 times longer—the cost of stamping dies for aluminum cut in half . . . all the result of hardfacing parts that would otherwise quickly lose the battle to abrasion and impact.

Hardfacing is the laying of a hard wear-resistant metal surface on a softer base metal by gas or arc welding. It can be done in the field, in the plant, on the job quickly and efficiently.

In lumber, paper or cement mills, in mining, dredging and excavating, on railroads—in heavy equipment everywhere—hardfacing with Amsco welding products has increased useful service life with directly traceable savings in lower maintenance and replacement costs, fewer shutdowns, and smoother production.

Let Brake Shoe's engineers show you where hardfacing may offer real economies in your business. Write for booklet, "Hard Surfacing by Fusion Welding."



AMERICAN

Brake Shoe

COMPANY

230 PARK AVE., NEW YORK 17, N. Y.

Copyright 1960, American Brake Shoe Company

10 Divisions of American Brake Shoe Co. produce wear-resisting parts in 58 American and Canadian plants.

AMERICAN BRAKEBLOK DIVISION • AMERICAN FORGE DIVISION • AMERICAN MANGANESE STEEL DIVISION
BRAKE SHOE AND CASTINGS DIVISION • ELECTRO-ALLOYS DIVISION • ENGINEERED CASTINGS DIVISION
KELLOGG DIVISION • NATIONAL BEARING DIVISION • RAMAPO AJAX DIVISION • SOUTHERN WHEEL DIVISION

MARKETING

Since '39: 50% More Goods, 21% More

1939-1948: During the decade, more people got into these retail and wholesale businesses ...

Type of Business	Number of Establishments			Ave. Sales per Unit		
	1939	1948	% Change	1939	1948	% Change
Motorcycle, aircraft, boat dealers.....	1,018	4,667	+358.4%	\$20,596	\$75,466	+266.4%
Farm-dairy machinery wholesalers.....	319	1,113	+248.9	186,191	481,293	+158.5
Commercial machinery and equipment wholesalers.....	1,643	4,733	+188.1	83,276	181,650	+118.1
Household and office furniture wholesalers	433	1,168	+169.7	141,312	325,837	+130.6
Transportation equipment (except automotive) wholesalers.....	244	655	+168.4	266,730	385,179	+44.4
Floor covering, drapery stores.....	2,916	7,748	+165.7	25,535	64,957	+154.4
Radio stores.....	2,911	7,243	+148.8	16,721	53,449	+219.7
Sporting goods, bicycle stores.....	3,546	8,603	+142.6	17,978	40,096	+123.0
Used automobile dealers.....	6,980	16,849	+141.4	27,764	144,390	+420.1
Construction machinery wholesalers.....	404	930	+130.2	239,000	845,502	+253.8
Music stores.....	2,930	6,117	+108.8	22,228	55,254	+148.6
Lumber, millwork wholesalers.....	1,670	3,325	+99.1	291,982	839,267	+187.4
Amusement, sporting goods wholesalers..	1,128	2,202	+95.2	110,354	251,348	+127.8
Jewelry wholesalers.....	1,805	3,381	+87.3	129,670	235,637	+81.7
Automotive wholesalers.....	7,827	14,615	+86.7	33,222	280,300	+743.7
Books, periodicals, newspaper wholesalers	866	1,599	+84.6	194,656	287,028	+47.5
Electrical goods wholesalers, general line.	1,617	2,921	+80.6	279,115	814,150	+191.7
Industrial machinery wholesalers.....	4,018	7,231	+80.0	159,516	410,255	+157.2
Iron and steel wholesalers.....	853	1,531	+79.5	356,905	1,012,150	+183.6
Liquor dealers.....	19,136	33,628	+75.7	30,641	76,900	+151.0

... and got out of these businesses:

Type of Business	Number of Establishments			Ave. Sales per Unit		
	1939	1948	% Change	1939	1948	% Change
General stores.....	39,688	21,536	-45.7%	\$20,418	\$54,048	+164.7%
Fuel, fuel oil, ice dealers.....	41,172	22,680	-44.9	24,617	106,784	+333.8
Fruit stores, vegetable markets.....	27,666	15,781	-43.0	8,033	25,346	+215.5
Department stores.....	4,074	2,590	-36.4	975,699	4,107,602	+321.0
Wholesale assemblers (mainly farm products)	29,122	18,794	-35.5	106,056	572,148	+439.5
Candy, nut, confectionery stores.....	48,015	32,897	-31.5	6,150	19,728	+220.8
Meat markets, fish markets.....	42,360	29,470	-30.4	17,724	60,332	+240.4
Dairy products stores.....	16,834	11,734	-30.3	43,959	160,518	+265.2
Secondhand stores.....	23,962	16,964	-29.2	5,759	17,899	+210.8
Dry goods wholesalers, general line.....	222	169	-23.9	932,356	2,455,580	+163.4
Grocery stores, without fresh meat.....	200,303	154,343	-23.0	11,110	26,210	+135.9
Gasoline service stations.....	241,858	188,305	-22.2	11,670	34,479	+195.4
Millinery and accessory shops.....	17,293	13,475	-22.1	12,673	32,509	+156.5
All retail stores.....	1,770,355	1,769,993	0.0	23,748	73,745	+210.5
All wholesalers.....	199,726	241,529	+20.9	274,819	767,113	+179.1

Distributors

At long last marketing men are getting the exact picture of how retailing and wholesaling have changed since pre-war. Last week, the Commerce Dept. issued the first "United States Summary" taken from the Census of Business for 1948. The figures in the summary give the first real measurement of some trends of the past 10 years.

Here are some of the highlights:

Dollar-volume of business done by the nation's retailers and wholesalers has tripled since 1939.

Retailers remained constant numerically—despite marked shifts into or out of various branches of retailing.

Wholesalers increased in number by 21%.

Even after you deflate the dollar-volume figures for the 10-year hike in the general price level, you can see that the physical volume of goods handled at retail increased by about 50%. That shows the huge growth in capacity of our distribution system during the war.

Taking the shifts line by line, you can see what parts of the distribution machine have been helped most by the increase in national income and the broadening of the market at its base. Take, for instance, the postwar demand—and ability to pay—for automobiles. That has meant a 744% increase in the dollar volume of the average automobile wholesaler. And you've also got to realize that there are 87% more wholesalers in the business now than there were in 1939. (That includes factory-owned distributors.) To adjust the picture from 1948 to 1950, however, you'd better salt the figures with this fact: There were a lot of used car wholesalers doing a big business at big prices two years ago. In 1950, some of that boom has rubbed off.

• **Hardgoods' Boost**—The desire for hardgoods that were unobtainable after the war is responsible for another phenomenon—a 358% increase in the number of motorcycle, aircraft, and boat dealers. And each new dealer did 266% more volume than the average retailer in that line did in 1939.

Prosperity on the farm caused a 249% rise in farm-dairy equipment wholesale establishments as against 1939. Increasing mechanization on the farm, of course, was another factor in drawing more people into this field. Over-all, sales of farm equipment wholesalers increased 802%.

• **Little Grocers Going**—In the food field, the advent of newer, bigger super-

BLASTING BEAUTY!



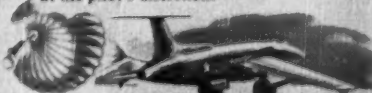
*Sleek, high-speed, powerful—
the Martin XB-51 is the Air Force's
first postwar plane specifically designed
for supporting our ground forces.*

Blasting enemy supply lines and installations to help keep our ground forces rolling—that's one of the roles the new Martin XB-51 is designed to play in America's preparedness program! It's a teamwork bomber—versatile, powerful, super-fast, highly maneuverable, designed to be capable of operating from combat area fields. Its lines are clean and graceful, yet radically different. A unique power plant arrangement includes two jets mounted on fuselage pylons and a third in the tail. Drastically sweptback wings, a T-shaped tail and tandem landing gear—plus many other features still classified under military security regulations—make it as modern as tomorrow!

Like all Martin developments, the XB-51 is the product of a highly skilled engineering team. Electronic, aerodynamic, metallurgy research, servo-mechanism studies—all play their parts in the technical leadership Martin offers its customers today. All play their parts as Martin extends research frontiers in advanced design aircraft, rocketry, jet propulsion, supersonic missiles and other far-reaching fields! THE GLENN L. MARTIN COMPANY, Baltimore 3, Maryland.



The Martin XB-51 is powered for faster starts operating from small combat area fields. For faster stops, the Martin bomber has a parachute stowed aft which may be released at the pilot's discretion.



For a flying start to a fine career in aviation, stop in at your local Air Force, Navy or Marine recruiting office . . . now!

Martin AIRCRAFT

Builders of Dependable Aircraft Since 1918

AN INTERNATIONAL INSTITUTION
MANUFACTURERS OF: Dependable Martin 2-0-2 airliners • Advanced military aircraft • Revolutionary rockets and missiles • Electronic fire control systems • **DEVELOPERS OF:** Marang fuel tanks (licensed to U.S. Rubber Co.) • Stratavis aerial rebroadcasting (in conjunction with Westinghouse Electric Corp.) • Honeycomb construction material (licensed to U.S. Plywood Corp.) • New type hydraulic automotive and aircraft brake • Permanent fabric flameproofing • **LEADERS IN RESEARCH** to guard the peace, build better living in far-reaching fields.



Metal Building Products

**CECO
STEEL**

Noontime-Miracle at...

HARDING-WILLIAMS Food Service makes noontime look like a "miracle" in action... satisfied employees enjoying delicious meals in a cheerful, efficient cafeteria. Ceco Steel Products Corporation's Chicago Plant is one of many leading American industries employing the **HARDING-WILLIAMS** System.

Harding-Williams
Specialists
IN FOOD SERVICE

General Offices:
8 SOUTH MICHIGAN AVE., CHICAGO 3, ILLINOIS



AT YOUR COMMAND:
56 Years of Specialized
Experience! Write, phone or wire
for full information on the
HARDING-WILLIAMS System.

markets spelled curtains for many a specialty food merchant—like the meat market, vegetable market, etc. The number of retailers declined in every specialty category except bakeries (which increased 19% in number of outlets, 266% in sales per store). For the specialty shops that were left, however, there was still good business; in every category except one, sales per store jumped well over 200%. Meantime, sales of the average combination (meat, grocery) store rose 216%.

Liquor sales jumped a whopping 341% between 1939 and 1948. But there were 76% more retailers to cut up that juicy melon. (A lot of the newcomers were ex-C.I.'s.)

• **Lots of Leisure**—The 143% increase in the number of sporting goods and bicycle stores has several causes. One, of course, is the increase in the number of people with enough money to buy nonessentials. But another is the increase in leisure time brought about by shorter working hours since 1939.

Postwar refurbishing in the home and office, a tremendous volume of new-home building, plus the formation of more families, lured 46% more furniture retailers into the business than had been there in 1939. But these same factors caused an even greater increase in the number of household and office furniture wholesalers. There were 170% more in the business.

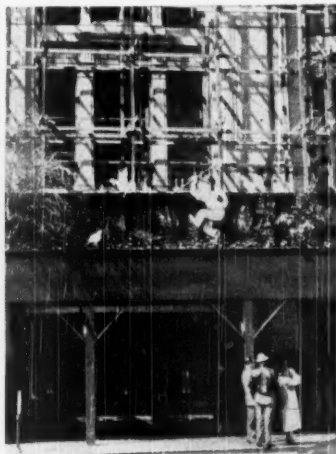


MOSINEE

"More than Paper"

MOSINEE measures success not in terms of volume production, but in services rendered... solving customers' specific problems with quality-controlled, dependably uniform MOSINEE industrial papers. If you have a fabricating or processing problem involving paper, a discussion with MOSINEE technicians might prove helpful. Please write Dept. BW.

MOSINEE PAPER MILLS COMPANY • MOSINEE, WIS.
Essential Paper Manufacturers



That Natural Look

Frederick & Nelson, Seattle department store, has borrowed an old beauty hint—if you can't hide an unattractive feature, play it up. The store—Marshall Field & Co., Seattle division—is adding five floors to its five-story building. So it decorated the ugly scaffolding with flowers, growing trees and shrubs, lets comic figures cavort among the gardens.

MAGNESIUM MAKES MANY PRODUCTS BETTER

Example
FOLDING CHAIR

Light!



A manufacturer of high quality wood folding chairs decided to bring out a metal chair of similar quality and design. To get the best combination of minimum weight and fabrication economy, he used magnesium die castings. By so doing, he was able to market a metal chair, weighing 26% less than the comparable wood model.

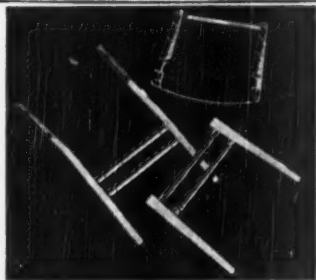
Lighter than wood chair of same design

Durable!



Lighter than the wood model, the magnesium chair is stronger and more durable, too. There are no glued joints to loosen and squeak. And magnesium won't warp or splinter. In addition, the baked enamel finish is tough and long lasting.

Built to take plenty of abuse



Maximum lightness, good surface finish, and fabrication economy were design requirements. Magnesium die castings met them all. Three magnesium die castings weighing 5½ lb. replaced 14 wood parts weighing 10 lb. And the baked enamel finish was cheaper to apply than the finish previously used on wood.

*made
with*

Dow Magnesium!

THE WORLD'S LIGHTEST STRUCTURAL METAL

Magnesium gave this manufacturer a better product—a lighter, stronger, more durable chair—at a price to meet the competitive market.

Light, strong magnesium has meant improved products in many other fields. Portable tools, business machines, materials handling equipment, sporting goods, and motor transportation are

some that have profited by the use of this versatile material.

If you are redesigning your old product or developing a new one, take a good look at magnesium. It can make your product lighter, more efficient, and easier to sell. For more information call the nearest Dow sales office or write Dept. MG-29 in Midland.



Magnesium Division • THE DOW CHEMICAL COMPANY • MIDLAND, MICHIGAN

New York • Boston • Philadelphia • Washington • Atlanta • Cleveland • Detroit • Chicago • St. Louis • Houston • San Francisco • Los Angeles • Seattle • Dow Chemical of Canada, Limited, Toronto, Canada



This lady likes what she sees

Maybe there's an extra profit angle in this for you. The maker of this top-selling mixer boosts eye-appeal, quality and profits with bowls of well-known McKee Glasbake heat-resisting milk glass.

When a woman sees "Glasbake" on a mixing bowl, she *knows* she can mix hot or cold . . . she *knows* the bowl is strong yet light. She sees at a glance that the snow-white bowl is styled right in the key with the mixer itself. She's "yes-minded" and easier to sell.

McKee heat-resistant bowls are four times as strong as ordinary glass. Yet the cost is such that manufacturers have substantial savings for advertising and sales promotion.

Mixer bowls are only one type of product, only one type of glass supplied by McKee to America's top manufacturers. McKee has been producing glass of all types for almost one hundred years. McKee can meet your production needs, your cost needs, your design needs. Wire, 'phone or write.

McKEE

GLASS COMPANY

ESTABLISHED 1853 • JEANNETTE, PA.

THE WORLD'S MOST COMPLETE LINE OF GLASS COOKING WARE

TV Remedies

Manufacturers, distributors, and retailers are reaching for marketing medicines to stir up lagging TV sales.

Television receiver sales still have spring fever (BW—May 13 '50, p80). For two weeks, retailers, distributors, and manufacturers have tried to stir the sluggish circulation with old remedies. They haven't helped much yet.

• **Medicines**—Here are some of the anti-slump medicines:

• Admiral Corp. announced last week that it would grant special discounts to dealers who cooperate in a trade-in plan. Under the plan, dealers offer a \$100 trade-in allowance on used seven-inch and 10-inch tube sets to consumers buying any of Admiral's five 19-inch receivers. Price of the 19-inch set to the dealer then will be list price, minus \$100, minus a 25% discount.

• Philco Distributors, New York, is offering a free trip to Atlantic City for any dealer who buys three refrigerators and two TV sets, one 16-inch and one 12½-inch model. The dealer's wife gets a free wristwatch—as consolation for having to stay home.

• A Motorola distributor offered—and has since withdrawn—a \$50 government bond to dealers who purchase two 12½-inch console TV receivers.

• Tele King Corp. is now offering dealers a 12½-inch model at \$100—about \$30 below its cost of a few weeks ago.

• Emerson Radio & Phonograph Corp. is offering dealers a 50% discount on all models—except the two receivers on which Emerson is now concentrating its entire production. Previously, Emerson discounts ranged up to only 33%.

• General Electric Supply Corp. has knocked \$20 off the dealer cost for its 12½-inch GE table model TV receiver.

• **Exception**—Radio Corp. of America appears to be the only major manufacturer not having trouble stocking its dealers or selling its sets at retail. RCA's New York distributor, in fact, is in a strong enough position to work the old tie-in deal. If a New York retailer wants to get RCA's three scarce models (all 16-inch console sets), he must take also some International Harvester refrigerators, handled by the same distributor.

• **Retailers' Deals**—Special deals are turning up at the retail level, too. Sunset Appliances, New York, now offers the loan of a 10-inch or 12-inch TV table model to any customer who buys a Frigidaire electric range, water heater, air conditioner, refrigerator, etc. Sunset hopes that, after three months, the consumer will be so wedded to television that he will buy it, not return it.



The Styleline De Luxe 2-Door Sedan



first

in performance with economy You'll find that this dynamic new Chevrolet *pays off* with a combination of performance and economy that cannot be duplicated in any other low-priced car. It alone, of all cars in its field, offers you your choice of two great Valve-in-Head engines, each with its own particularly efficient type of drive.* Both are performers extraordinary; both are outstandingly economical to operate and maintain; and of course,



both operate with that same extra-fine dependability for which Chevrolet is world-famous.

and finest

in driving ease and riding ease

in its field Chevrolet is the *only* low-priced car that brings you a choice of two great Power-Teams . . . the Automatic Power-Team, with Powerglide Automatic Transmission and 105-h.p. Valve-in-Head Engine,* for finest no-shift driving . . . or the Standard Power-Team, with Chevrolet's highly improved, standard Valve-in-Head Engine and Silent Synchro-Mesh Transmission, for finest standard driving. Moreover, it alone brings you Center-Point Steering and the famous Unitized Knee-Action Ride for maximum steering and riding ease.



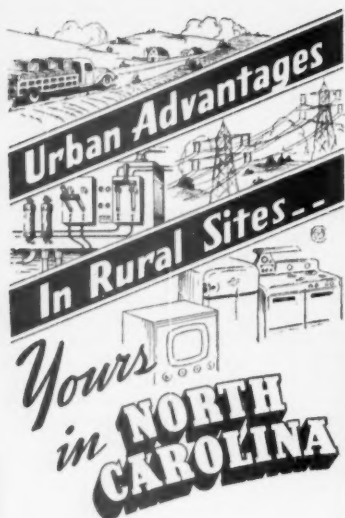
*Combination of Powerglide Automatic Transmission and 105-h.p. engine optional on De Luxe models at extra cost.

at lowest cost

the lowest-priced line in its field Look at it any way you please, and you'll agree that Chevrolet is the choice for *value* just as it's the choice of *more people* than any other car in the world. It's the one and only car offering all the advantages mentioned above . . . and scores of other features of higher-priced cars . . . all at the lowest prices and with such gratifying gasoline and oil economy. See it, test it, and you'll know it's *first and finest at lowest cost!*



CHEVROLET MOTOR DIVISION, General Motors Corporation
DETROIT 2, MICHIGAN



City "living"—city efficiency—right out in the country! North Carolina offers industry just that...in desirable sites away from overcrowded, war-vulnerable cities, yet within easy reach of the nation's great markets.

More dependable and contented workers are becoming available to industry through such things as the hard-surfacing of 12,000 miles of rural roads...the all-weather stabilization of another 35,000 miles—electrification of 85% of N.C. farms—expanding rural telephone service and easily accessible school, health, and recreational facilities.

On your next trip South investigate for yourself the choice advantages this No. 1 State and market of the South offers your business. You'll find it most worthwhile.

To get the facts from the State that offers you "Relative Isolation With Maximum Accessibility to Major Markets" address: Dept. B-9, Division of Commerce and Industry, Dept. of Conservation and Development, Raleigh.



HELIOPLANE takes off in small space. Helio hopes its sales takeoff will be quick, too.

New Wrinkle in Plane Selling

Helio hopes to sell its four-placer by offering a service contract along with the plane. Then serviceman will keep it flying.

A couple of years ago a group of professors around Boston decided that maybe they knew what was wrong with the private aircraft industry.

One thing was the product. It wasn't safe enough, and it needed too big a landing field. The answer to problem No. 1 was the Helioplane. This is an unusual four-place craft, designed by Otto C. Koppen, aeronautics professor, Massachusetts Institute of Technology.

As the Boston group sees it, problem No. 2 in the private plane business is marketing. Last week, Lynn L. Bollinger, Harvard analyst of aviation business methods, and now board chairman of Heliocraft Aircraft Corp., Norwood, Mass., came up with Helio's answer.

The Helio plan takes a leaf from the books of the television set merchandisers. It's going to sell the Helioplane complete with an all-inclusive service and maintenance policy. Buyers won't have any other direct flying expenses except gas and oil.

• **The Plane**—Helio is stressing its product, of course. Its plane can take off and land—at less than 30 m.p.h.—in an area no bigger than a tennis court. The plane's cruising speed, Helio says, compares favorably with other planes in the 145-hp. to 165-hp. class. The company stresses, too, that its plane is ultrasafe; it's spinproof and stallproof, Helio reports.

• **The Plan**—But the thing Helio is playing up is the new marketing angle.

Here's what Heliocraft has in mind:

- Setting up a service agency with factory-trained mechanics in each sales area before starting to sell the planes.
- Selling the buyer not only an airplane but a service and maintenance contract at a fixed fee as well.
- Paying the service agency operator a fee for each plane in his territory—and holding him responsible for the planes' service records.

Beech Aircraft provides free checkup service on Beech planes. Ryan Aeronautical has a similar deal. But Helio's plan is something else. You might wonder why more companies haven't tried it. One answer is that blanket service policies can be tricky, and costly. And a brand-new product needs some promotional boost to get it off the ground.

The Helioplane-Four will hit the market some time late this year. The first ones are being built in a converted hangar outside Boston. Eventually, Aeronac Aircraft Corp. will take over production at Middletown, Ohio.

• **Executive Type**—The plane will be a high-quality, executive-type craft, priced somewhere between \$7,000 and \$9,000. Bollinger admits there's a much bigger market for a plane that sells for less than \$5,000. But he thinks executives will recognize the value of real safety—and can pay for it. Eventually, he hopes volume production will cut costs enough to attract other markets.

Servel Inc.

*made printing budgets
go farther, last longer...*



by switching to lower cost, high fidelity

***Consolidated* ENAMEL PAPERS**

• *The Servel News*—published monthly for the men and women who market the famous refrigerator that "STAYS SILENT, LASTS LONGER"—is another outstanding example of the fine printing results being obtained by many concerns that have switched to Consolidated Enamel Papers at substantial savings in their printing budgets.

Printed in a combination of black-and-white and full-color, *The Servel News* is a job to challenge the quality of any fine printing paper, regardless of price. Yet today, at prices averaging 15 to 25% below those of the old style premium-priced enamels formerly used, Consolidated Enamel Papers are making *The Servel News* a model of fine reproduction—at a saving to Servel of many hundreds of dollars each year.

Both this saving and the unusually uniform quality of Consolidated Enamels are results of the revolutionary enamel papermaking process which Consolidated pioneered. By all odds the most widely talked-about advance in papermaking history, this process cuts costs by eliminating several manufacturing steps still required by other papermakers. It produces a paper of highest quality, simultaneously enameled on both sides, in a single high-speed operation.

Whether your own company produces an employee magazine, advertising and sales matter, or other printed material, we'll welcome an opportunity to tell you more about this modern process—and the savings it makes possible. Write for complete facts and samples today.

© C. W. P. & P. Co.

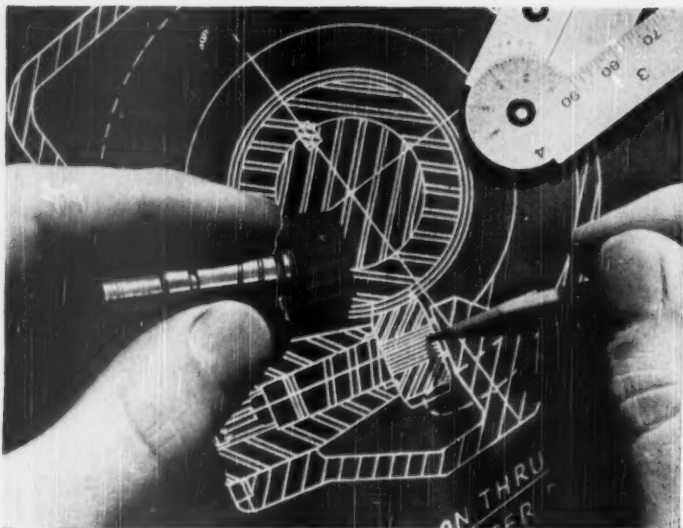
***Consolidated* ENAMEL PAPERS**

CONSOLIDATED WATER POWER & PAPER COMPANY

Makers of Consoweld—decorative and industrial laminates

Main Offices: Wisconsin Rapids, Wisconsin

Sales Offices: 135 So. LaSalle St., Chicago 3, Illinois

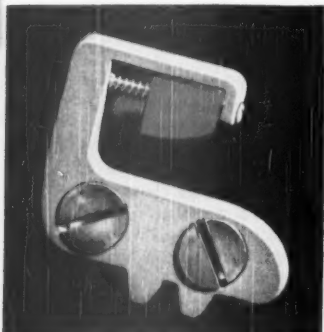


NYLON SPEEDOMETER GEAR ON '50 FORD REGISTERS 50% CUT IN PRODUCTION COSTS

Injection-molded to exacting tolerances in a single operation

A five-step operation was formerly required to produce this gear to drive the Ford speedometer cable. Now, in a single operation, Ford injection-molds nylon gears, complete with tooth identification, directly on the shaft. It is estimated that use of Du Pont nylon has reduced the man-hours needed to produce this gear to one-half the former figure—a 50% saving in over-all production cost!

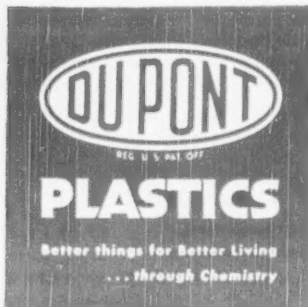
Nylon gears perform better, too.



Nylon door-lock wedge on 1950 Ford. Provides superior abrasion-resistance, high resistance to repeated impact of door slamming. Costs less than materials previously used. (Nylon part molded by Standard Products Co., St. Clair, Mich.)

Ford finds that closer tolerances can be held more economically. Tolerances for the nylon gear are ± 0.001 " for pitch diameter, and ± 0.002 " for O.D. Too, nylon has superior wear- and abrasion-resistance. Rugged tests equivalent to 100,000 miles of operation at 80 m.p.h. proved nylon's ability to stand up without visible wear.

Nylon's outstanding advantages are saving money and improving performance in a wide variety of industrial and commercial applications. Its properties may well help you, too. For free literature on nylon and other Du Pont plastics, write today. E. I. du Pont de Nemours & Co. (Inc.), Polychemicals Department, Plastics Sales Offices: 350 Fifth Avenue, New York 1, N. Y.; 7 S. Dearborn Street, Chicago 3, Ill.; 845 E. 60th Street, Los Angeles, Calif.



Car Flight

Hudson's West Coast dealers fly customers to Detroit—all expenses paid—to pick up car, drive it home.

Hudson Motor's Pacific Coast dealers have come up with a pat answer to prospects who want a new car and a vacation—but who can't afford both. The solution: Fly the family to Detroit, give them factory delivery on a new Hudson, let them drive it home with spending money in their pockets.

The cost to the customer is exactly the same as though he had the car delivered to his front door. Eliminating freight charges from Detroit to the Coast makes it possible.

• **Pay-Off**—Hudson dealers on the Coast consider the added sales they make to flying families (about 25 a week in the Los Angeles area, for example) are only a secondary benefit of the plan. The primary pay-off is in the increase in floor traffic that Hudson dealers have felt since the flights were announced. Los Angeles dealers, for instance, report that 35% more people have come into their showrooms since they announced the plan. That gives salesmen a shot at prospects who otherwise wouldn't venture in.

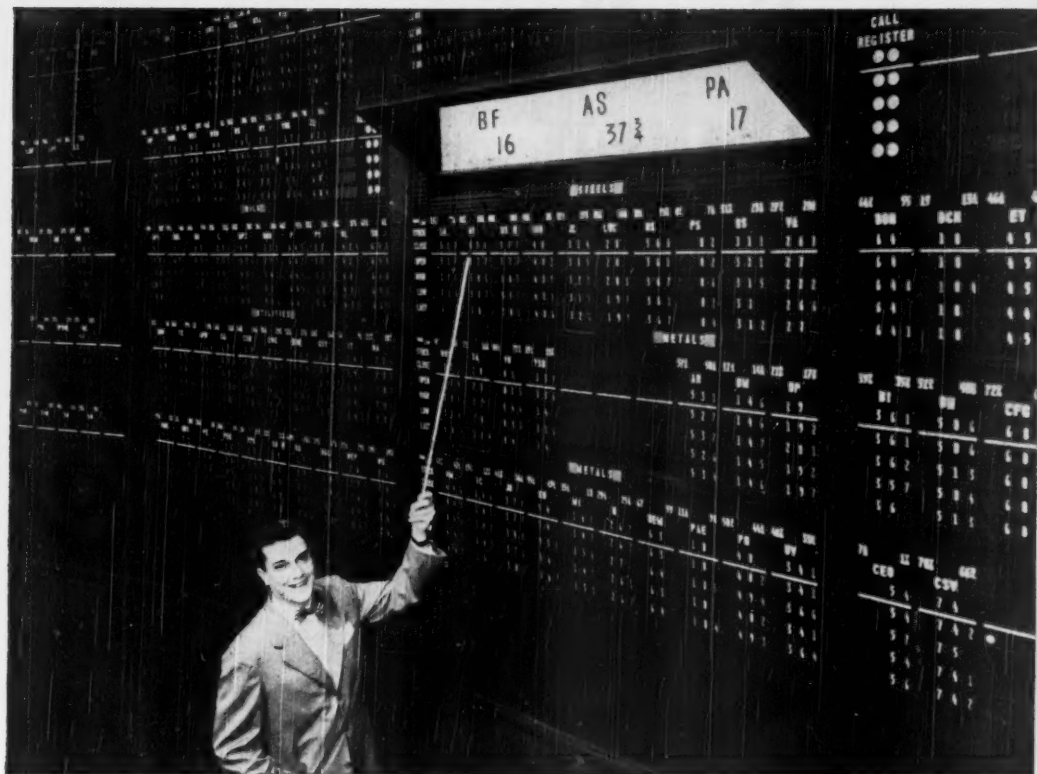
The stunt has caught on quickly in all three cities where it is being tried—Los Angeles, San Francisco, and Portland. The first flights, scheduled to take off next week, are already sold out. Subsequent flights are either booked solid or filling up. The Coast dealers' agreement with American Airlines runs for 20 weeks, provides weekly DC-6 flights from L.A. and San Francisco, biweekly flights from Portland.

• **Refined**—Hudson's Denver distributor, Fred Ward, tried the same scheme last year with considerable success (BW—Jul. 16 '49, p41). Clifford W. Macfarlane, divisional merchandising manager for Hudson Sales Corp. in the western states, just dusted the plan off and added a few refinements.

• **The Package**—Here's the package Hudson dealers are offering: Luxury flight for two, double room at the Whitier Hotel in Detroit, dinner, breakfast, accident insurance, a car rolled off the assembly line, pocket money for the trip home.

To break even, the dealers have to put 25 buyers on each 57-passenger DC-6. If each takes a spouse or friend, that leaves seven vacant seats. These are held for children, so that some families can chart a vacation for the whole tribe.

• **Arithmetic**—The arithmetic of the deal goes like this: Freight charges on



"A" as in Armco—"S" as in Steel

"AS" is the new ticker symbol of Armco Steel Corporation — A for Armco and S for Steel.

Armco Steel Corporation's old ticker symbol was "RM." The change to "AS" was made to conform with Armco's new name. In 1948 The American Rolling Mill Company was rechristened Armco Steel Corporation.

The change was one of name only, and the reasons for it were simple. Through increased diversification of products Armco had gone far beyond the meaning of "rolling mill." And since the trade name "Armco" was so well known and widely used, it was logical to make it a part of the new company name.

Although Armco's ticker symbol is brand new, "AS" designates a corporation whose soundness and reliability stem from 50 years of progressive steel-making. For half a century Armco Steel Corporation has been the nation's leading producer of special-purpose steels. Today manufacturers use these steels in countless new and improved products for home, farm and industry.

Even as the name "Armco" means *extra* quality to millions of metal users, so will the symbol "AS" stand for creative steel-making and progressive management to investors everywhere.



ARMCO STEEL CORPORATION

HEADQUARTERS AT MIDDLETOWN, OHIO, WITH PLANTS AND SALES OFFICES FROM COAST TO COAST • THE ARMCO INTERNATIONAL CORPORATION, WORLD-WIDE

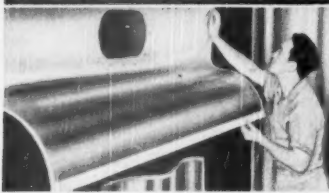


Production Men

choose **Polyken®**
INDUSTRIAL TAPE

DOZENS OF SPECIFIC TAPES
FOR HUNDREDS OF SPECIFIC USES

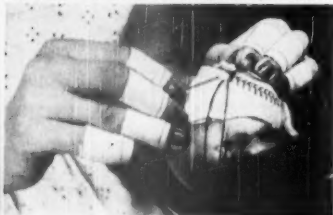
TYPICAL POLYKEN PRODUCTION JOBS



Tape No. 524—prevents "contact" oxidation.



Tape No. 158—protects machine parts in production.



Tape No. 151—protects worker's fingers.



Tape No. 214—protects precision bearing housings.

PRODUCTION MEN credit one or more of the many versatile POLYKEN Industrial Tapes with savings up to 85%! These "specific tapes for specific uses" can help you cut costs, save time, improve methods!

Replaces Old-Fashioned Methods!

Each POLYKEN Industrial Tape replaces costly, inadequate, hard-to-handle materials, for bundling, tying, sealing, edging, holding, insulating, reinforcing, repairing, marking, masking—and many others.

Meets Special Adhesive Needs!

Adhesive masses of POLYKEN tapes can be made with one or more of these "built-in" qualities: non-corrosive, non-staining, heat- or flame-resistant, low or high tack, vulcanizable, low temperature, colored, transparent, strong anchorage to backing.

Solves Specific Backing Problems!

POLYKEN's cloth backings can include any of these qualities: tensile strength, thickness or thinness, non-transparency, flexibility, resistance to tearing, abrasion, weather, moisture vapor.

FREE BOOKLET!

To help you choose the right tape for your job, write today for your FREE copy of "Tape Is a Tool." Or our research department will gladly work with you. Write POLYKEN, Dept. 7-6.



Polyken®
INDUSTRIAL TAPE

DEPARTMENT OF
BAUER & BLACK
DIVISION OF THE KENDALL COMPANY
222 W. ADAMS ST., CHICAGO 6

a Hudson from Detroit to the Coast range from \$278 for the Pacemaker to \$291 for the Commodore. Out of that, the dealer has to pay \$18.50 to the factory for cleaning, lubricating, and fueling the car. (If the car were delivered in California, the dealer would do this himself.) In the case of the Pacemaker, that leaves \$259.50.

For a payload of 25 Pacemaker buyers and their families, that gives a total of \$6,487.50 to play with. Most of that goes for the plane—\$4,772.50. The dealers budget the rest of it this way:

25 double hotel rooms, \$7.50 each	\$187.50
50 dinners, \$3.50 each	175.00
50 breakfasts, \$1.25 each	62.50
50 insurance policies (\$25,000), \$1.25 each	62.50
25 "vacation allowances," \$41 each	1,025.00
Bus hire and miscellaneous	202.50

Total

The budget varies slightly, of course, with the freight allowance on the car. And if the buyer makes the trip alone, his "vacation allowance" is increased by the amount of a plane seat (\$95.45).

MARKETING BRIEFS

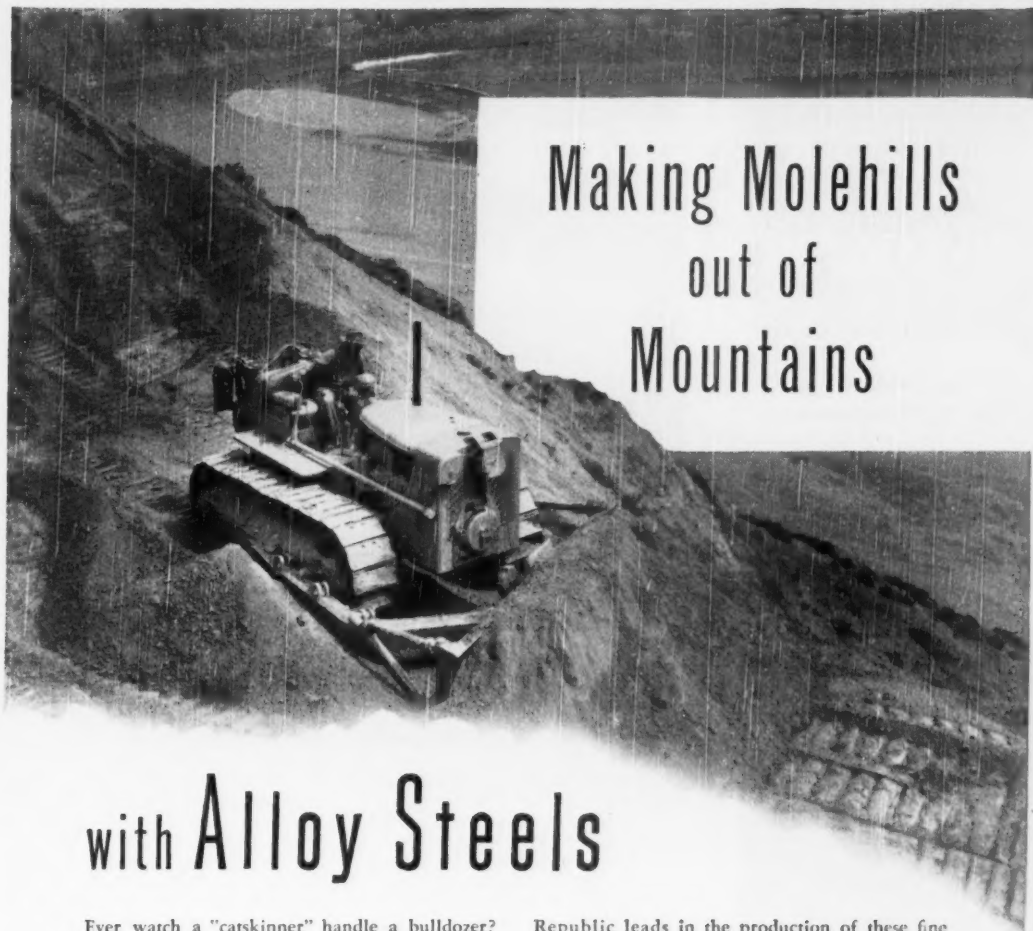
Chain stores are coming under the gun again in Louisiana. A new bill in the legislature would boost store-license fees from 100% to 400% on chains operating more than 25 stores in the state. Louisiana-owned chains, however, wouldn't be affected; none operates more than 25 stores.

A softening of durable-goods buying in April brought total retail sales below the March level, after adjustment for seasonal factors.

Tipping is back in style on the Chesapeake & Ohio Ry., after a three-year nontipping experiment. The C&O feels its patrons were "ill at ease picking up their change and not leaving a tip, and equally ill at ease if they succumbed to habit and slipped a coin under a saucer."

Network radio-time sales slipped to \$15.9-million in April, against \$16.7-million in April, 1949. Columbia Broadcasting System posted the only network gain for the period—from \$5.5-million to \$6-million.

Emily Post, the manners arbiter, has O.K.'d plastics for first-wedding-anniversary gifts in the 1950 revised edition of her book, *Etiquette*. Monsanto's plastics division is launching a big campaign to advertise and merchandise her decision.



Making Molehills out of Mountains

with Alloy Steels

Ever watch a "catskiner" handle a bulldozer? First, you marveled at the way he handled it. Second, you wondered how a machine of its size could do so much work.

Here's the answer to your second thought:
(1) Engineering design and construction *plus*
(2) The materials from which it was made—including alloy steels.

In gears, springs and fuel injection systems of "cats"—in bearings, shafts, pins and other vital working parts of machines in practically every industry,* alloy steels have proved beyond doubt that any extra cost is more than returned in uninterrupted service, longer life, fewer repairs, lower end cost.

Republic leads in the production of these fine steels—knows how to make them, where to use them, how to apply them and which one best meets each specific need.

To assist your engineers obtain results that count in your process or product, Republic now offers you a 3-Dimensional Metallurgical Service. A closely-coordinated group of experienced field, laboratory and mill metallurgists is ready to work with you—to find the right steel for the right place. Why not give them a chance to help you? Write us.

REPUBLIC STEEL CORPORATION

Alloy Steel Division • Massillon, Ohio

GENERAL OFFICES • CLEVELAND 1, OHIO

Export Department: Chrysler Building, New York 17, N. Y.



Republic Alloy Steels

THE TOUGHER THE TASK . . . THE MORE THEY SAVE

* are helping to increase production and cut costs for practically every industry—including automobiles, trucks and buses—aircraft—farm implements—household appliances—machine and hand tools—mining equipment—ordnance—petroleum equipment—railroad equipment—machinery of all types.

Eliminate

CAPITAL INVESTMENT

Let Four Wheels Supply
Cars for Your Salesmen

14 YEARS Continuous Service to America's Business Leaders

Four Wheels, Inc. is an organization which leases brand-new automobiles on annual contracts, with rentals payable monthly. AUTOMATICALLY takes care of...

1. Repairs
2. Maintenance
3. Replacement Tires
4. Licenses
5. Greasing
6. Anti-Freeze and Chains
7. Towing
8. Insurance
9. Taxes
10. Delivery to point of use
11. Annual Replacement

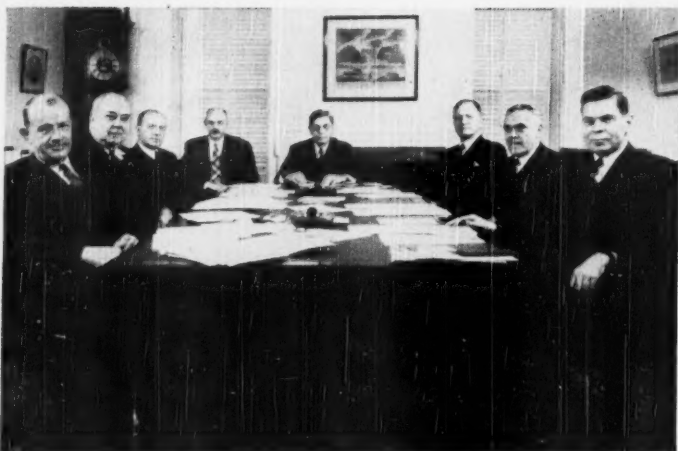
- All Costs Are Tax Deductible
- No Capital Investment
- No Inequities in Mileage Payments

Write for brochure

FOUR WHEELS, Inc.
6150 N. Western Ave.
Chicago 45, Illinois
Operating in 48 states



FINANCE



THE CORPORATION, guiding hand of Harvard, is 300 years old this week. Left to right: Charles A. Coolidge, Roger I. Lee, Paul C. Cabot, David W. Bailey, James B. Conant, president, Henry L. Shattuck, Grenville Clark, William L. Marbury, Jr.

Big Business on the Campus

The President and Fellows of Harvard College, the oldest corporation in the U. S., built an enterprise with assets that top \$300-million. Still it feels a dollar pinch today.

What is the oldest corporation in the Western Hemisphere?

It is not the Hudson's Bay Co. (BW—Oct. 2'48, p86), chartered in 1670.

It is not Philadelphia's Perot Malt-ing Co. (BW—Feb. 9'46, p30), which goes back to 1687.

It is The President and Fellows of Harvard College, or The Corporation as it is called in Cambridge, Mass.

This week, The Corporation passed its 300th birthday, still running under a charter that Gov. Thomas Dudley of the Massachusetts Bay Colony granted it on May 31, 1650. The wealthiest and largest unit of its kind, its sole job is—as it was three centuries ago—to administer the affairs of Harvard.

Harvard's fathers had good reason to set up their administrative body as a corporation. They wanted independence and flexibility—the right to make decisions on the basis of business policy, not individual whim or religious doctrine. Today, Harvard's vast educational plant is still run on the same principles that a steelmaker or auto manufacturer might apply to his business.

I. The Taste of Hasty Pudding

It was a primitive Harvard College the year President Henry Dunster and

six of his young scholars got their charter to incorporate. The school, just 14 years old, had only a single frame building and a library of about 800 books. Undergraduates totaled 40, graduate students, 10. Finances were just as meager. Endowment funds amounted to little. For support, Harvard had to rely solely on its tuition fees (less than £2 annually for undergraduates), voluntary contributions, and tolls of the Charlestown-Boston Ferry, which came to £30 to £40 per year.

• **Bad Start**—Harvard's youth, of course, was at least partly responsible for its state of affairs. Things might have been better, though, had someone other than Nathaniel Eaton been chosen as Harvard's first master. For Eaton, destined to die later in a British debtors' prison, got the new college off to a bad start.

Eaton became notorious for his brutal floggings of undergraduates and assistants, and for his habit of mixing gifts to the college with his own funds. There were bitter complaints, too, about the quality of the meals his wife served to her student boarders (a "crime" to which she later pleaded guilty, though she would never admit there was any "goat's dung in the hasty pudding").

Eaton eventually was dismissed. But

because of him, Harvard was deserted for a whole academic year (1639-40). And many months were to pass before Dunster, who had succeeded him in the summer of 1640, had the college back on its feet.

• **State Control**—In the first 14 years of its life, Harvard was an arm of the church-state of the Puritan colony. Governing power over the new institution rested solely in a Board of Overseers. This board was made up of the pastors of the colony's six original churches and six magistrates.

This wasn't to Dunster's liking. He wanted his faculty to have some of the sovereignty that existed in the European universities. That applied particularly to the disposition of gifts.

Dunster fought for almost 10 years for a change in Harvard's setup. Finally in 1650, he got from the General Court of the Colony his famous charter. This created The President and Fellows of Harvard College as a body corporate of seven men (two of whom must always be the university's president and its treasurer).

Further, it stipulated that the new corporation was to have the right to receive directly gifts of land, money, and goods. It could buy and sell for its own account, rent and let out its property holdings, sue and be sued, and appoint its officers.

• **Conflicts**—The new charter didn't solve all Harvard's problems immediately. Church troubles forced Dunster to resign only four years later. And financial and other problems continued to plague the college.

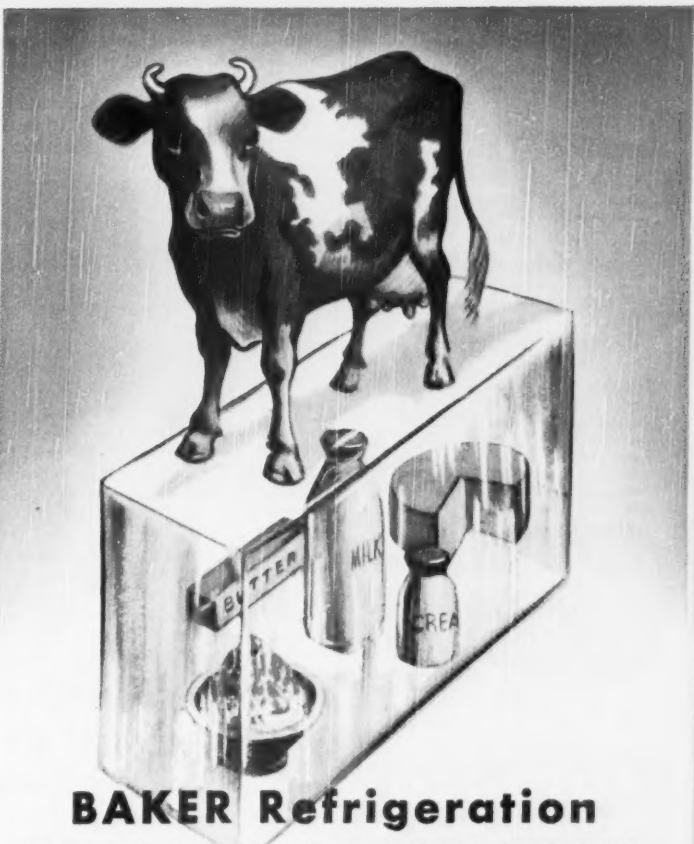
At the start, all the members of The Corporation were teachers or former teachers in the college. They were young men, too, and membership of The Corporation changed often. Moreover, the new charter hadn't eliminated the Board of Overseers. It still could veto decisions of The Corporation. And since that board was made up of more mature, more stable citizens than The Corporation, vetoes became almost inevitable.

II. Business at Harvard Square

Today, this clash has long since vanished.

Through a series of evolutionary changes, the Board of Overseers has come to represent the public interest in the university. Its 30 members are now elected by the alumni; they no longer exercise a veto power as willfully as they did. In a sense, they act as the stockholders of the university, while The Corporation acts as the board of directors.

In the early 19th century, the make-up of The Corporation began to change, too. Its membership became more and more the "solid men of Boston," rather



BAKER Refrigeration HELPED PUT THE COW ON ICE

The dairy industry as we know it today could not exist without mechanical refrigeration. Every step in the processing and distribution of dairy products must be guarded by dependable temperature control.

Beginning in 1905, when Joseph Baker produced the first BAKER Ammonia Compressor, BAKER pioneered in this—as in other applications of refrigeration and air conditioning.

Engineers early learned that the BAKER Compressor did three things: 1) It lived up to its rated capacity. 2) It ran continuously, without breakdowns. 3) It kept running years beyond its life expectancy.

Before long, BAKER Compressors were operating throughout the dairy industry from coast to coast—chilling and pre-cooling milk, freezing ice cream, protecting butter, cheese and

other dairy products. Today hundreds of dairy plants are BAKER-equipped.

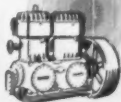
For here, as in all fields of food processing, BAKER equipment, backed by sound engineering and 45 years' experience, works quietly and efficiently to supply more of the better things more profitably. You'll find BAKER installations quick-freezing strawberries in Tennessee, preserving apples in Oregon, oranges in Florida, fish in the Pacific fleets.

And you'll find BAKER Distributors—a nation-wide group of experienced refrigerating engineers—well qualified and ready to give you prompt, expert service. They will be glad to work with your planning board and architect on any installation, large or small. Write us for our folders of BAKER case histories in food processing and preservation, and in air conditioning. No obligation.

BAKER REFRIGERATION CORPORATION, South Windham, Maine

Zone balanced • Engineered

BAKER



AIR CONDITIONING AND REFRIGERATION

BUY-WORD OF OREGON WOMEN!

The Oregonian is your best buy to sell Oregon women! The Pacific Northwest's biggest newspaper... ahead by tens-of-thousands in circulation. The Oregonian is always FIRST with women, FIRST in sales impact and advertising results.

the Oregonian
100th year "the Great Ten paper of the West"
 REPRESENTED NATIONALLY
 BY MOLONEY, DEAN & SCHMITZ, INC.

FOTO-FLO
 A NEW, FASTER, COST-CUTTING
 PHOTO-COPYING MACHINE

DAYLIGHT OPERATION NO DARKROOM REQUIRED

Copies anything written, typed, printed, drawn or photographed in actual, reduced or enlarged sizes.

CAPACITY: 3 OR MORE 18" x 24" PRINTS A MINUTE

• Manufacturers, banks, insurance companies, newspapers, department stores and government departments will find FOTO-FLO the answer to making clean, sharp photocopies quickly and economically. Our branch office experts will gladly survey your specific needs.

Write DEPT. 50-119 for descriptive folder showing what FOTO-FLO can do for your business.

HALOID
 MAIN PLANTS AND OFFICES • ROCHESTER, N. Y.
 BRANCH OFFICES IN PRINCIPAL CITIES

than educators. For as Harvard grew, its affairs became more complicated. Men skilled in the handling of finance and business affairs had to assume bigger and bigger roles.

Over the years, these businessmen have brought to the office of Treasurer of Harvard a reputation for sharp-edged financial skill. To see what's behind this reputation, you need only run through the list of Harvard's assets today:

- An educational plant (165 buildings, 250 acres of land) valued for insurance purposes at some \$115-million—without allowance for equipment, books, art objects, and the like.
- Other assets totaling well over \$200-million and, for the most part, made up of cash and "liquid" investments.
- A yearly income of almost \$29-million.

• **Profit Planning**—That Harvard has grown wealthy is neither due to chance nor to the generosity of its supporters. It is almost solely the product of the efficient planning of the canny, hard-headed businessmen who have made up The Corporation for generations.

Take the changes The Corporation made in the handling of the fabulous Harvard investment account.

When it came time for The Corporation to name a new treasurer of the college in 1948, it picked one of Bos-

ton's brightest investment managers—Paul C. Cabot, president of the State Street Investment Corp. And it also retained Cabot's staff of investment experts to help him in his new office.

• **Gains**—So far, the move looks like a smart one. A few weeks ago, the university's general investment account, plus cash available for investment, had a market value of over \$240.5-million. That compares with less than \$204.6-million at the close of last June. General investment income in the current fiscal year should come close to \$9.1-million; it was \$8.2-million in 1948-49.

Some of the gain, of course, stems from an increase in Harvard's endowment funds. From June 30, 1949, to Mar. 31, 1950, they jumped \$12.7-million, or from \$177.1-million to \$189.8-million. But the climb accounts for only about one-third of the \$36-million increase in the value of the investment account.

III. Classroom Dollar Squeeze

Despite its investment success, Harvard still has fiscal troubles. The dollar-squeeze in the colleges (BW—Sep. 10 '49, p97) has been pinching Harvard and the other rich, big schools just as much as the smaller, and poorer ones. Their wage bill and maintenance costs have rocketed since the war. Record-break-

A Look at John Harvard's Account Books

Balance Sheet as of June 30, 1949

Assets		Liabilities	
Cash.....	\$6,106,815	Current liabilities	
General investments		Accounts payable.....	\$1,554,445
Treasury bonds.....	\$45,500,000	Deposits, advances.....	324,866
Short-term loans.....	7,900,000		\$1,879,311
Corporate bonds.....	41,671,378	Reserves	
Preferred stocks.....	19,084,849	Operating, maintenance	2,516,146
Common stocks.....	72,551,665	Teachers Annuity Plan.....	1,544,430
Real estate.....	2,284,999	Employee pensions.....	8,037,661
Mortgages, etc.....	994,007		7,098,237
Special investments ²		Capital account	
Cash.....	153,005	Endowment funds.....	177,101,339
Securities.....	6,915,590	Annuity funds.....	5,713,501
Real Estate.....	3,288,849	Student loan funds.....	1,107,324
Accounts receivable.....	2,132,743	Investment gain and loss account.....	3,950,819
Prepaid charges, misc.....	2,921,573	Unexpended income balances.....	14,654,942
Total.....	\$211,505,473		202,527,925
		Total.....	\$211,505,473

Income and Outgo, Fiscal Year Ended June 30, 1949

Income		Expenses	
Student payments.....	\$12,385,012	Salaries and wages.....	\$16,872,712
Receipts under special research and development contracts.....	2,210,010	Equipment, supplies.....	6,384,716
Fund income available in year.....	6,999,360	Retirement allowances and pensions.....	864,114
Gifts available in year.....	3,668,188	Scholarships, awards.....	1,317,582
Miscellaneous income.....	3,689,485	Miscellaneous.....	3,015,178
Total.....	\$28,952,055	Total.....	\$28,454,302

* Book value; market value was then \$200,810,969. ² After deducting \$2,382,804 depreciation reserve. ³ Includes \$1,065,717 of securities and cash of endowment funds which must be "separately invested." ⁴ After adjustments. Includes \$7,981,638 of income from general and special investment. ⁵ After adjustments. Includes \$4,754,298 of gifts for immediate use or special purposes.



Today's Specialized Truck Needs Call for EXTRA-RUGGED WHITE SIX-WHEELERS

WHERE TRUCKS have a rugged job to do . . . where there's heavy hauling, tough road conditions or tight schedules . . . where legal weight limits add to payload problems, there you will find sturdy, hard-working White Super Power six-wheelers, carefully engineered to exact work requirements.

Today's operating conditions call for constantly more work, lower truck cost

and longer truck life to keep delivery costs down. An investment in White Quality pays extra dividends in economy and durability on the hard jobs . . . year after year . . . because White Super Power is built to do the hard jobs well.

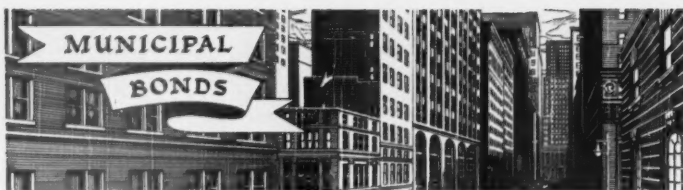
Your White Representative will gladly show you how Whites can profitably be used in your business.

THE WHITE MOTOR COMPANY • Cleveland 1, Ohio

THE WHITE MOTOR COMPANY OF CANADA LIMITED • Factory at Montreal



FOR MORE THAN 50 YEARS THE GREATEST NAME IN TRUCKS



Providing broader markets

The broadened market for municipal bonds in recent years is due in large part to an increased awareness of the value of their federal tax exemption, to marked growth in the number of these securities issued and available, and to an increase in the number of investment bankers and banks actively trading in them.

Halsey, Stuart & Co. Inc. undertakes to provide markets both for the issues it underwrites and for many other desirable municipal bonds, maintaining trading departments in its Chicago and New York offices devoted exclusively to municipal issues. Investors are invited to use this service. Send without obligation for our latest select list of offerings.

REPRESENTATIVE MUNICIPAL BONDS

- Austin, Texas
1¼% Various purposes Bonds
- Baltimore, Maryland
1¼% Water Bonds
- Cincinnati City School District
1¼% Bonds
- State of Iowa
¾% Service Compensation Bonds
- New Orleans, Louisiana
2% Various purposes Bonds
- New York City Housing Authority
2¼% Bonds
- State of Oregon
1½% Veterans' Welfare Bonds
- Commonwealth of Pennsylvania
1½% Bonus Bonds
- Snohomish County, Washington
1¼% Bonds
- State of West Virginia
1½% Road Bonds

HALSEY, STUART & CO. INC.

122 SOUTH LA SALLE STREET, CHICAGO 90 - 25 WALL STREET, NEW YORK 5 - AND OTHER PRINCIPAL CITIES

*This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities.
The offering is made only by the Prospectus.*

NEW ISSUE

498,849 Shares American Cyanamid Company Cumulative Preferred Stock, Series B, 3½% Convertible Prior to July 1, 1960—Par Value \$100

Transferable Subscription Warrants evidencing rights to subscribe for these shares have been issued by the Company to holders of its Common Stock, which Warrants expire at 3:00 P.M., Eastern Daylight Saving Time, on June 2, 1950. The Underwriters have agreed, subject to certain conditions, to purchase any unsubscribed shares and, prior to and after the expiration of the Subscription Warrants, may offer shares of the Cumulative Preferred Stock, Series B, 3½%, at prices and on terms as set forth in the Prospectus.

Subscription Price to Warrant Holders \$102 per Share

Copies of the Prospectus may be obtained in any State in which this announcement is circulated from only one of the Underwriters, including the undersigned, as may legally offer these securities in compliance with the securities laws of such State.

White, Weld & Co.

The First Boston Corporation

Blyth & Co., Inc.

Glore, Forgan & Co.

Goldman, Sachs & Co.

Harriman Ripley & Co.

Kidder, Peabody & Co.

Lazard Frères & Co.

Lehman Brothers

Merrill Lynch, Pierce, Fenner & Beane

Smith, Barney & Co.

Stone & Webster Securities Corporation

Union Securities Corporation

May 19, 1950.

ing enrollments have meant expensive staff- and plant-expansion programs. Tuition fees and endowment incomes just aren't big enough to meet the bills.

• **How Departments Fare**—True, Harvard's income last year did top its outgo by a shade. But that was on an over-all basis. The picture is vastly different when you look at it from a departmental angle. The expenses of 18 of the university's 43 departments ran above their income last year.

Actually, it isn't fair to judge a college's income on an over-all basis. Endowment funds too often have strings attached; they are earmarked for specific purposes only. That means that while some departments may be rolling in wealth, others may be but a step from the poorhouse.

• **Gifts Are Down**—The main cause of fiscal troubles is that gifts haven't kept pace with rising costs.

Ordinarily, colleges have two main sources of income: tuition fees and income from their endowment funds, plus gifts. Time was when each source supplied about 50% of total income.

In the last few years, most schools have made sharp boosts in their tuition rates, so student fees still supply about 50% of gross. Donations, though, have been way off the mark. So have endowment incomes.

One reason for the slide in giving is high taxes. They have cut down the number of the very rich who once gave lavishly to Harvard and other colleges.

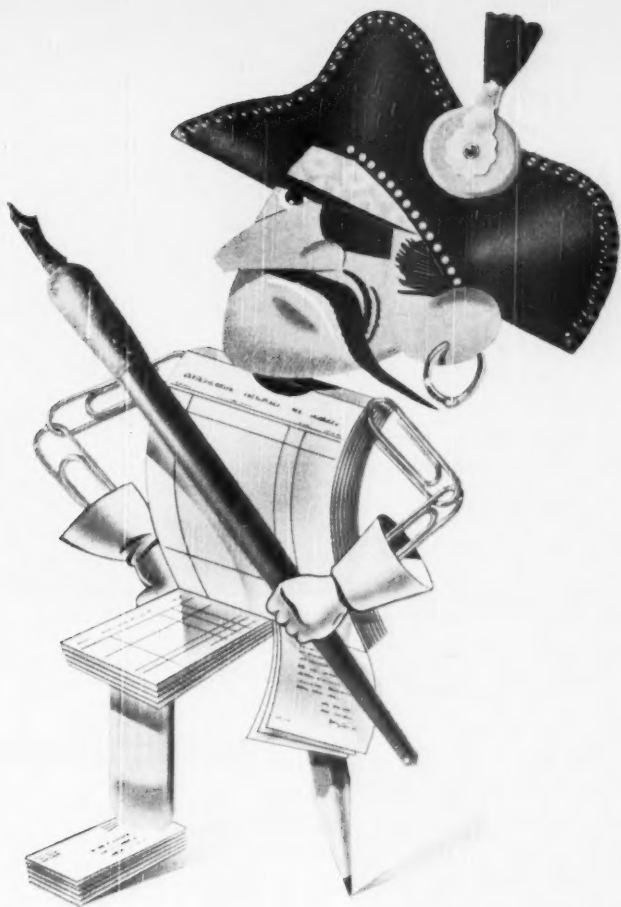
Of course, new fortunes are being made today. But they are neither so large nor so numerous. And colleges have found that the maker of a new fortune isn't normally a large contributor. Instead, it's the second and third generation that give the biggest gifts.

• **The Future**—Thus there is a serious gap to be filled if Harvard and other schools are to continue to operate as they do now. The question is: Who will fill it? The colleges hope business will.

In the last few years, business has given more to the colleges than ever before. But it will have to open its till even farther if the colleges are to survive as private enterprises. The schools particularly need "free" gifts—those it can apply to general operations, rather than a specific purpose spelled out by the donor.

The alternative, if business fails, could be either (1) a general weakening of the private schools' position, or (2) the tendency to ask Washington for support. And the latter possibility is truly frightening to many educators. They fear that once the government has its foot in the door, the freedom to experiment might get a trampling.

It's a good bet that the private schools will make that one of their major campaign points as they go after business funds in the coming years.



The Paperwork Pirate Plunders Profits

THE Paperwork Pirate hauls away millions of dollars worth of loot from American business each year. The money is taken directly out of profits. It is never recovered.

The Paperwork Pirate represents unnecessary clerical costs in the handling of paperwork. Many businesses are unaware of the Pirate's daily profit pillage. You find him *only* after a *complete* study of clerical and paper handling costs.

Addressograph simplified business methods eliminate the waste of the Paperwork Pirate.

Any information that is to be written more than once—figures, descriptions, names—can be written the Addressograph way at speeds up to 5,000 words or 30,000 figures

a minute—with 100% accuracy. The information can be imprinted, listed, distributed or tabulated on all types of business forms many times quicker than with any other type of business machine. And 30 to 50 times faster than with handwriting or typing.

Think of the time savings. Think of the cost reduction. No wonder that leading companies are doing away with the Paperwork Pirate this modern way. For information on how others in your type of business are saving, telephone the Addressograph man in your city or write Addressograph-Multigraph Corporation, Cleveland 17, Ohio—Simplified Business Methods.

© 1950 A-M Corp.

Addressograph®

PRODUCTION MACHINES for BUSINESS RECORDS

Q. IS YOUR EMPLOYEE RESTAURANT A PROBLEM?

A. NOT SINCE CROTTY BROTHERS TOOK OVER

This is the answer you would get from many of America's best known manufacturers. For they have found from bitter experience that running a restaurant is a business for restaurant people... that the simple way to sidestep all the headaches is to turn the job over completely to Crotty Brothers Food Services.

For plants employing 500 or more workers Crotty Brothers will assume full responsibility for the satisfactory operation of the cafeteria or restaurant and provide better food at equal or lower costs than most self-run restaurants.



OPERATING IN 18 STATES AND 41 CITIES

137 NEWBURY STREET, BOSTON 16, MASS.
111 WEST WASHINGTON ST., CHICAGO 2, ILL.
303 SOUTHLAND ANNEX BLDG., DALLAS, TEX.

FOOD SERVICE MANAGEMENT SINCE 1930

Moss-Grown?

Critics of fire insurance rating methods charge there are too many bureaus, too much red tape.

The fire insurance business, which now does many things the same way it did in 1900, is drawing increasing criticism of its rating methods from all sides.

• **"Antiquated" Methods**—Last week another critic spoke out. Roger Kenny, an insurance journalist, told the insurance section of the American Management Assn. that something ought to be done about fire-insurance rating methods. He calls these methods "antiquated, disjointed, provincial, and bogged down with moss-grown associations, pools, and bureaus."

Kenny wasn't the first to take a swing at rating methods. If the fire insurance companies are going to write "all-risk" policies—which tie the protection against a number of dangers into one package—many critics think they will have to overhaul their rate-making system.

• **Many, Many Bureaus**—At least one important fire-insurance executive has already made this clear. A few weeks ago, Harold V. Smith, president of the Home Insurance Co., largest U.S. fire insurance company, pointed out how many different associations and rating bureaus would have to be consulted on "all-risk" policies.

Smith said that, as things stand now, a fire insurance company has to belong to 144 different associations and rating bureaus if it wants to do business in both fire and casualty insurance in all 48 states. (The laws of many states allow companies to handle both lines.)

These bureaus have grown up through the years, setting standards and rates in different parts of the U.S. and on different types of insurance. Although most casualty and surety rates are made by a few national rating bureaus, there are 34 fire insurance rating bureaus, each for a different section of the U.S.

• **In Defense**—Many fire insurance men defend the regional bureaus. They feel that they have special knowledge of the rating problems of their particular areas—knowledge that a national rating authority wouldn't have.

Others attack the bureaus as local bureaucracies, mainly interested in maintaining their own prerogatives. What these critics—especially large interstate buyers of insurance—would like to see are national fire insurance rating organizations. They believe that would eliminate much red tape, and reduce their premium costs somewhat.

• **The Costs**—Robert Dineen, New York State superintendent of insurance, re-



Hauserman Movable Steel Interiors at Foote Bros. Gear and Machine Corp., Chicago, Ill.

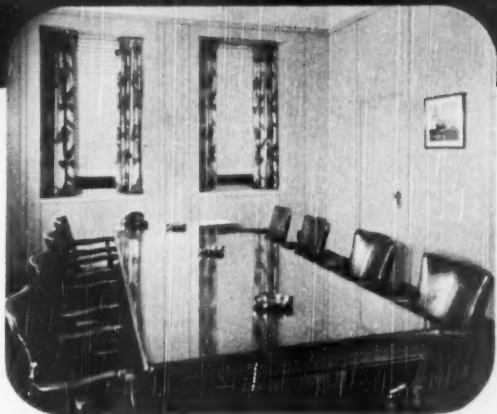
HAUSERMAN STEEL INTERIORS

Distinctively Beautiful *...easy to move*

INTERIORS BY HAUSERMAN are a good investment for your offices, shops and laboratories. Visitors are impressed with their handsome appearance and employees respond to their pleasant, efficient surroundings.

In addition, Hauserman Interiors assure efficient utilization of all floor areas for the life of the building. Hauserman Movable Steel Walls are quickly and easily moved whenever new floor layouts will promote operational efficiencies... often in a matter of hours. And when Hauserman Walls are moved, all units are completely re-used.

There are many reasons why Hauserman Movable Steel Interiors are used in the smaller as well as



the larger buildings in America. Among these advantages are: Excellent Sound Control • Rigid Construction • Earlier Occupancy • Incombustible Materials • Rock-bottom Maintenance Costs • Ease of Servicing Utilities • Ease of Adding Wires and Outlets • Over 500 Beautiful Colors and Authentic Wood Grain Finishes • Easy to Move.

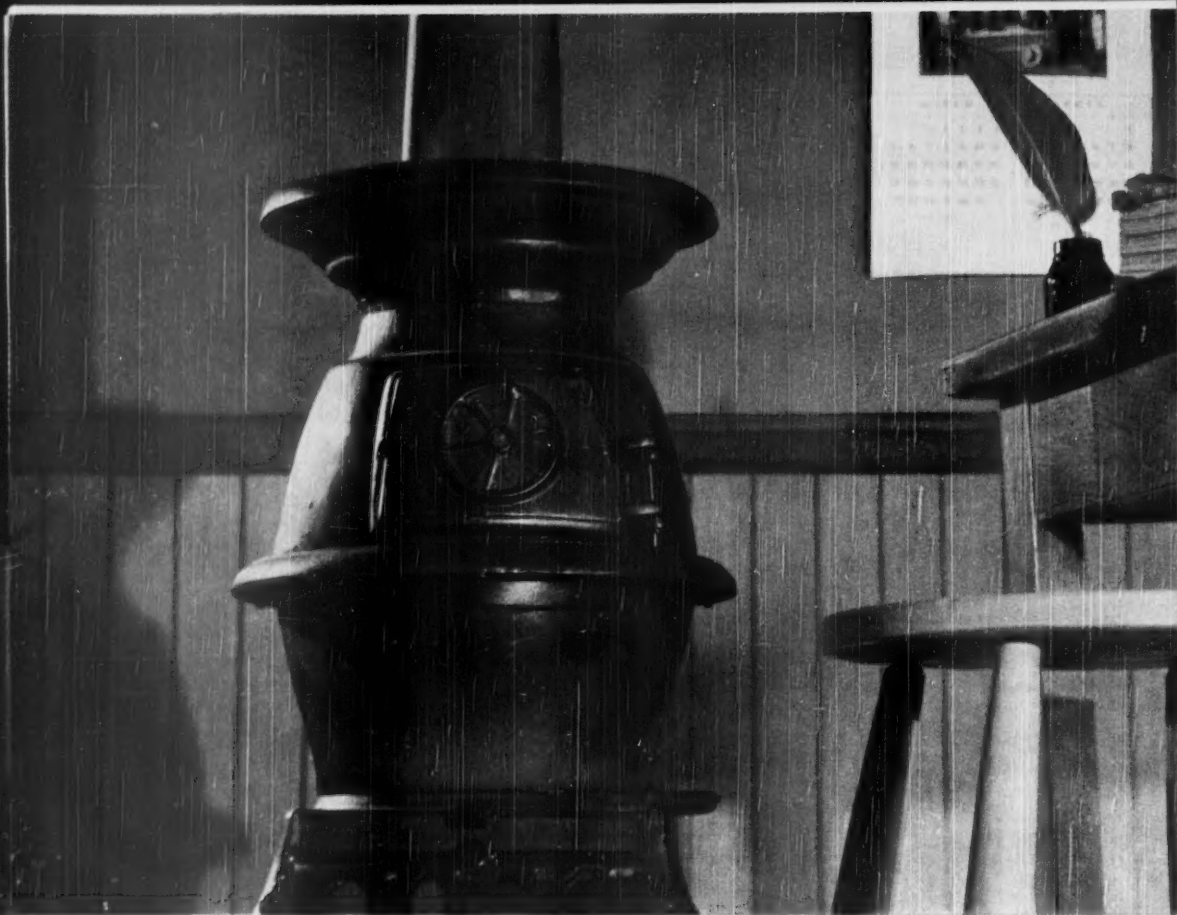
Want all the facts? Just write or call the Hauserman office or representative nearby or contact, *The E. F. Hauserman Company, 6918 Grant Ave., Cleveland 5, Ohio.* Or, if you prefer, write for our fully illustrated, 60-page catalog.



Organized for
Service Nationally
Since 1913



Partitions • Wainscot
Railings • Acoustical Ceilings
Complete Accessories

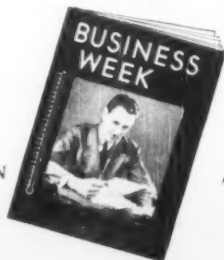


* GONE WITH THE CRACKER BARREL

As the tempo of America's business and industrial progress increased, crude, inefficient heating methods were doomed as surely as the open cracker barrel in the cross-roads general store. The production of modern heating equipment for business and industry today has become a major manufacturing field.

The selling of heating equipment also has been streamlined and improved, especially in the selection of sales-producing advertising media. Manufacturers have found, for example, that *Business Week* is an ideal publication for selling industrial heating equipment.

Year after year *Business Week* carries more heating equipment advertising than any other general business or news magazine. The reason for this consistent leadership is that *Business Week* reaches a very high concentration of Management-men . . . executives who make or influence important buying decisions.



YOU ADVERTISE IN BUSINESS WEEK WHEN

YOU WANT TO INFLUENCE MANAGEMENT-MEN

Heating Equipment Advertisers[®] in *Business Week*

American Radiator & Standard
Sanitary Corp.
Babcock & Wilcox Co.
Carrier Corp.
Combustion Engineering-Superheater, Inc.
C. A. Dunham Co.
Grinnell Corp.
Modine Manufacturing Co.
Reznor Manufacturing Co.
Surface Combustion Corp.
Trane Co.
Warren Webster & Co.

©Source: Publishers' Information Bureau Analysis

A MCGRAW-HILL PUBLICATION

cently spelled out just how much the present rating setup costs.

Dineen said that in 1949 the fire insurance companies doing business in New York paid \$34-million in dues to about 150 rating bureaus, inspection bureaus, and other organizations. That averaged \$1.18 out of every \$100 the companies received in premiums. The casualty companies doing business in the state paid \$74-million in dues, or 28¢ for each \$100 of premiums, to approximately 70 bureaus and other associations.

FINANCE BRIEFS

A N. Y. Stock Exchange seat sold last week for \$52,000, 48% above the 1949 low. The jump reflects the fact that brokers' commissions are running high.

Life insurance sales in April were up 17% over a year ago, the Life Insurance Agency Management Assn. says. For the first four months of 1950, sales totaled almost \$8.7-billion, 14% above 1949.

DuMont (TV sets) earned almost \$2-million in the first quarter, up about 33% over the 1949 period. Sales were \$15.1-million, up 36%.

Avco's offering of its stock in Pan American World Airways was oversubscribed in no time. Avco, originally an aviation-investment company, sold 367,000 shares to get cash for its manufacturing operations.

Mutual savings banks gained \$70-million in savings during April, according to the National Assn. of Mutual Savings Banks. Last year, the gain was \$54-million.

The blast at South Amboy (BW—May 27'50, p28) will cost the insurance companies about \$5-million, the General Adjustment Bureau says.

Inside bank thefts by officers and employees probably run to \$6-million a year, Accounting Forum magazine estimates. It figures the average bank embezzlement stretches out over a 10-year period.

Sunray Oil has filed a registration statement with SEC covering 750,000 shares of \$1 par common stock. The issue is part of a projected merger between Sunray and Barnsdall Oil Co., on which stockholders vote next month.

Budd Co. will make six of its new self-propelled diesel cars (BW—Oct. 22'49, p22) for Pennsylvania-Reading Seashore Lines.

"We reaped a ripe
18% sales-growth...
when we buried
habit-itis"

says **KEN SHEEHY**

President,
Santa Maria Berry Farm,
Santa Maria, Cal.



Santa Maria Berry Farm has found new profits in berries with these boxes developed and molded of Lustrex styrene in a variety of shapes, sizes, and colors by Allied Plastics Company, Los Angeles.

"We're selling more berries faster than ever before. We've registered a sales increase of 18 per cent in the last twelve months. And we're saving money—increasing profits—at the same time," continues Mr. Sheehy. "All because we rejected 'habit-itis'... 'forgot' that berries had always been packaged in other materials, and investigated plastics."

Santa Maria learned that the new berry box made of Monsanto's Lustrex® styrene has many advantages, sales-appealing and otherwise: The unique lattice-designed package allows shoppers to see its contents clear to the bottom. Available in a variety of colors, the gay plastic container trades the berries up... and consumers want it for any of a dozen re-uses, such as serving cookies and candy. Berries can be washed right in the box because the plastic package doesn't waterlog. They get better ventilation, too, and there's less spoilage, so the plastic package actually saves money in the long run.

Like this leading berry producer, many other clever merchandisers are harvesting greater sales by packaging such products as candy, nuts, vegetables and meat in these attractive baskets. Perhaps, your products, too, could gain new appeal, wider markets in a sales-impelling plastic container.

Whatever your packaging problem, investigate the many different types of materials supplied by the family of Monsanto Plastics. For instance, you can have a molded package of Lustrex styrene, a fabricated container of rigid transparent Vupak® or flexible Ultron® vinyl film. You'll find a plastic package creates a luxury look at low cost. Send today for information about Monsanto Plastics for packaging. a Reg. U. S. Pat. Off.



SERVING INDUSTRY... WHICH SERVES MANKIND

For your
convenience

MONSANTO CHEMICAL COMPANY

Plastics Division, Dept. BP 6, Springfield 2, Mass.

Please send me information on: ☐ Lattice baskets molded of Lustrex ☐ Lustrex for molded packages ☐ Vupak for fabricated packages.

Name and Title

Company

Address

City, Zone, State

CHRYSLER Airtemp
Air Conditioning...
prescription for
summer comfort



Chrysler Airtemp
AIR CONDITIONING • HEATING • REFRIGERATION
Airtemp Division of Chrysler Corporation
Dayton 1, Ohio
In Canada, Therm-O-Rite Products Ltd., Toronto

Preferred

BY BUSINESS
EXECUTIVES



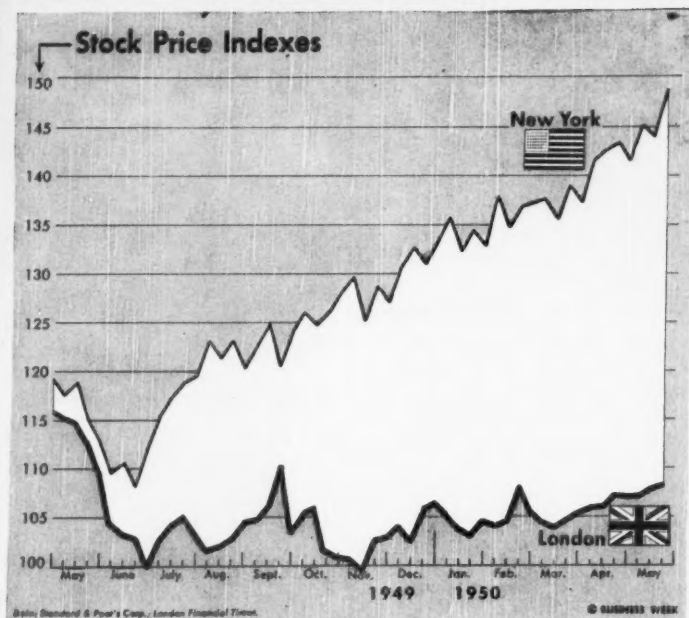
Overlooking famous Central Park, the Essex House is conveniently close to all important business and social activities. The hotel has recently been beautifully redecorated and refurbished. Many rooms with Television.

Rooms with bath from \$7 to \$12.
2 Room Suites from \$15.
All suites have complete serving pantry.
Chicago Office—Central 6-6846

ESSEX
HOUSE
on-the-park

160 CENTRAL PARK SOUTH • NEW YORK
Vincent J. Coyle, Vice-President & Managing Dir.

THE MARKETS



Slim Pickings for London Bulls

British stocks get a lift from abandonment of gas rationing and steel allocations. But London market is still close to last year's lows. Investors worry about nationalization and economic problems.

The usually apathetic London stock market took a sudden jump this week. News of the end of steel allocations and gas rationing (page 100) started it going. Since the announcement, industrial stocks have been going up on a wide front.

Shares of heavy industry, shipping, auto manufacturing, electrical equipment, building materials, retail stores, tobacco, and brewers were all climbing. The oil stocks got a boost, of course. And rubber stocks rose along with the commodity price of natural rubber, which reached a new postwar high this week.

• **Weak Sister**—But London still has a long way to go to catch up with the U.S. bull market in stocks (chart, above). Since both markets made their low in June last year, Standard & Poor's index of 90 stocks has climbed 38%. The London Financial Times index of 30 industrial shares is still lagging. It has gained only about 7% in the same period.

Of course, the London stock market generally does move more sedately than

its razzle-dazzle American cousin. But in the past year, the difference has been even more striking than usual.

• **Setting the Pace**—In the U.S., Wall Street has gradually learned how to live with the Fair Deal and the cold war. In spite of recurrent fears of war and recession, investors have been betting on a prosperous U.S. economy. And in the past, a major trend on one side of the Atlantic usually has carried over to the other.

But The City, Wall Street's British counterpart, hasn't shared much of its exuberance. Britain's nationalization program and postwar economic problems have kept investors nervous and unhappy, even when British companies were doing well profitwise.

• **Disappointments**—That's why the London market failed to follow through on the rallies touched off by devaluation last September and later by Conservative hopes of victory at the February elections. The devaluation rally had just gotten started when a 5% hike in the British tax on corporate dividends finished it off (BW—Oct. 1 '49,

p86). And the pickup in stock prices that accompanied the growth in Conservative strength died in the general political uncertainty that followed the elections.

And yet corporate profits have been good. A study by the London Financial Times of 849 industrial companies found that 1949 profits before depreciation and taxes had risen 5.8% above 1948. Many British executives are afraid that they can't hold the 1949 profit pace this year. They talk about rising costs of production and increasing competition for the British market,

both from British companies and from abroad. That has a bearish effect on The City which, like the financial public anywhere else, looks more to future probabilities than to past achievements.

Since the middle of March, however, the London stock market has been edging up. Around that time, word leaked out that Britain's balance-of-payments position had improved considerably. And at the end of March, Chancellor Cripps officially confirmed that the British gold reserve was increasing. That put some heart into investors who have been dubious about Britain's future.

Flood of New Issues Coming Up

June promises to be the busiest new-financing month Wall Streeters have faced in a long time. Over \$500-million of new corporate bond issues are already scheduled for public sale. And on top of that, there will be \$130-million par-value of preferreds and well over 3.8-million shares of new commons.

Obviously, the underwriters are glad to see the spurt of activity. But it isn't an unmixed blessing. The big new issues, like bananas, are going to come in bunches. June 5, 6, and 7, for example, will see close to \$180-million of new bonds offered in competitive bidding contests. And another \$145-million is slated for June 12, 13, and 14.

If some of the month's larger deals turn out to be hard to sell, these pile-ups will stretch the underwriting trade's capital resources to the limit.

But one thing will help: The trade ended May with only a normal inventory of unsold new cor-

porate security offerings on its shelves. The float probably didn't add up to much over \$74-million—even if you include some \$41-million in unsold bits of recent rail equipment trust deals.

Streeters devoutly hope that bidding won't go hog-wild on June's new offerings. They want a realistic pricing policy to prevail to insure fast sales. Above all, they don't want any repetition of last month's costly Seaboard Air Line fiasco.

The winning syndicate paid 98.5799% of par for that \$30-million issue of 3s. It hoped to get investors to kick in with a retail price of 99.375%. But there were few takers. When the syndicate threw in the sponge last week and let the bonds reach their "proper" level in a "free" market, the best bid they could get was 97½%. That is more than \$10 per \$1,000 bond less than the syndicate paid.

Here's a list of some of the larger issues to be offered this month:

BONDS

Amount of Offering
(In Millions of Dollars)

\$6.0 Arkansas Power & Light Co.
2.0 California Electric Power Co.
3.0 Colorado Fuel & Iron Corp.
110.3 Columbia Gas System, Inc.
24.5 Dallas Power & Light Co.

13.0 Gulf States Utilities Co.
20.0 Indiana & Michigan Elec. Co.
15.0 Kansas City Pow. & Lt. Co.
7.5 Mississippi Pow. & Lt. Co.
60.0 Northwestern Bell Tele. Co.

40.0 Northern Natural Gas Co.
80.0 Pacific Gas & Electric Co.
60.0 Pennsylvania Co.
25.0 So. California Gas Co.
10.0 Southern Railway

15.0 Wisconsin Electric Power Co.
3.5 Wisconsin Natural Gas Co.
8.0 Wisconsin Pow. & Lt. Co.

* Scheduled to be offered to stockholders first.

PREFERRED STOCKS

Par Value of Offering
(In Millions of Dollars)

\$49.9 American Cyanamid Co.*
8.0 American Investment Co. of Ill.
15.5 Arkansas Power & Light Co.
7.5 Dayton Power & Light Co.
9.0 Louisiana Power & Light Co.
8.5 Mississippi Power & Light Co.
13.1 Philip Morris & Co.*
5.0 Rockland Light & Power Co.
3.1 Washington Gas Light Co.*

COMMON STOCKS

No. of Shares
(In Thousands)

381 American Natural Gas Co.*
283 Dayton Power & Light Co.*
523 Mathieson Hydrocarbon Chem. Corp.*
400 Middle South Utilities, Inc.*
422 Northern Indiana Pub. Service*
333 Philip Morris & Co.*
750 Sunray Oil Corp.
400 Toledo Edison Co.
320 Wisconsin Power & Light Co.*

10 ga. carbon steel, 30" length.
1/4" thick 250 alum., 20" length.
1/4" thick 444 stainless, 16" dia.

Check Your Tooling Cost with Spincraft
SWEEPING economies can come your way

Recent Spincraft developments in metal-working may provide drastic cuts in your costs of production. High priced dies may be eliminated, expensive tooling scaled down to practical levels, ideas salvaged that may seem prohibitive. Let these examples of advanced spinning techniques inspire your inquiry as to what Spincraft engineering can do for you on any shape that's round or only partly rounded, regardless of size or metal. Write for the new Spincraft data book.

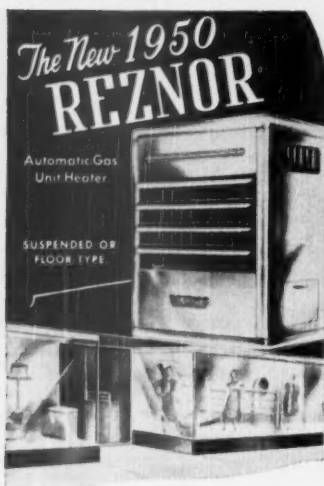
Spincraft Inc.
3411 W. State St., Milwaukee 8, Wis.
Herebefore known as Milwaukee Metal Spinning Co.

Because **MONGOL** stays sharper longer

Ed, the Office Manager, sees stepped-up work efficiency... fewer minutes wasted at the sharpener... fewer work-interruptions. And the Boss sees over-all economy in pencils GUARANTEED not to break in normal use. Write for FREE pamphlet "How to Relate Pencils to Results."

TRADE MARK REG. U. S. PAT. OFF.

EBERHARD FABER
37 Greenpoint Avenue, Brooklyn 22, N. Y.



• **TIME NOW** to plan for year 'round comfort with the new 1950 Reznor Gas-fired Unit Heater.

Completely automatic . . . cool in summer; warm as toast in winter . . . Reznor Heaters reach a new high in operational economy. Temperatures stay even and the air stays clean. No wonder Reznor Heaters outsell all other makes!

Used to heat large and small areas in homes, offices, stores, garages and public buildings. See your dealer now or write direct for information on the handsome new 1950 Reznor Heater.

REZNOR MANUFACTURING CO.
3 UNION ST. • MERCER, PENNA.



**3,000 SHIPPING CASES
PER HOUR LOADED,
SEALED, IMPRINTED
Automatically**

You too can share with America's foremost packaged brand names the many advantages of modern, automatic **PACKOMATIC** fibre (corrugated) shipping case packing, gluing, sealing, dating (coding) and imprinting equipment capable of speeds up to 3,000 cases per hour. Coupon below will speed information.

J. L. Ferguson Co. Dept BW-270
Joliet, Illinois

Send information about automatic cartoning machinery ☐ shipping case loading ☐ sealing ☐ imprinting machinery ☐ for _____

NAME: _____

COMPANY: _____

CITY: _____ STATE: _____

* Indicate product here.

PACKOMATIC

U. S. REG. U. S. PAT. OFF.

LABOR



GENERAL ELECTRIC EMPLOYEES split their votes in an NLRB election so . . .

GE Poll Brings No Peace

Election was narrow victory for IUE—not enough to give it dominance over UE in the industry. From now on, fight will center on getting better contracts—with management in the middle.

Labor relations in the vital electrical manufacturing industry are entering a new phase. Last week's National Labor Relations Board poll among close to 100,000 employees in 123 General Electric Co. bargaining units ended an important battle between the pro-Communist independent union and the anti-Communist CIO union which are competing in this field.

But it did not end the war.

• **No Peace**—The pro-Communist UE and the anti-Communist IUE cannot live together in peace. One or the other must dominate the jurisdiction they both claim. A decisive victory for one or the other in GE, the industry's leading company, would have provided that dominance.

But IUE's victory was not decisive. IUE captured 49 of the company's plants while UE won 40. And two of the plants that UE won—the home plant in Schenectady and the Erie works—have the largest number of employees. So, in numbers, IUE's superiority is even narrower than it looks.

• **Gain**—Nevertheless, IUE's showing in the GE election demonstrates how far it has come. For six years, the anti-Communist group in UE was unable to make its influence felt within the

organization. Most people wrote it off as a well-meaning but hapless minority. But in the last six months, as a separate union with a CIO charter, that minority has built a union at least as strong as, if not stronger than, the 14-year-old UE. If IUE wins the runoff election at Westinghouse's East Pittsburgh plant next week, it will have swept the electrical plants of General Motors, RCA, Philco; it will have achieved dominant status in Westinghouse; and it will be sharing power with UE in General Electric.

It is too simple, though, to conclude that this victory for native unionism was won solely because of the Communist issue. Without a doubt, communism was the principal issue in IUE's campaign for work support. And it was an effective issue. But communism had been the issue for years when the minority was ineffectually trying to oust UE's pro-Communist leadership. It was only when the anti-Communists became a part of the CIO, that they could push that issue effectively, especially against an organization which had been expelled from the CIO.

• **Weak Point**—It is this development which signals the real turn in the for-

tunes of the Communist-dominated unions in America. Isolated from the main stream of organized labor, they have become decidedly vulnerable. The charge that they are Communist—a charge which stirs a healthy response from the rank and file of workers—is taken much more seriously when it comes officially from the CIO. If it comes from a group within the union which could be labeled a disaffected minority, it loses force.

• **Recap**—Given CIO support and a powerful issue, why didn't IUE do even better in the GE battle? IUE's own explanation is unequivocal. It claims that GE helped UE. It charges that printed material that the company directed at employees confused the issue and assisted the left wing. IUE is especially furious at the line GE took in its employee information program which asserted that the CIO was socialistic and that there is no difference between socialism and communism.

GE's retort is that it preserved a strict neutrality; that IUE's charge of favoritism had a political motive.

• **Old War, New Battles**—Meanwhile, the fight to the death between IUE and UE goes on. But future battles will take a new form. Each competing union will be determined to show that it is a better representative of its members' interests than the other. This tactic will probably show up as:

(1) Intense competition to wrest better contracts from employers than the rival organization gets;

(2) Overzealous pressing of grievances to demonstrate militance and vigilance;

(3) Lurid propagandizing to inflame employees—directed primarily against the rival organization, but against the employer, too;

(4) Sharp battling over representation rights in new plants.

As the fight rages, it's inevitable that GE will be the chief war zone. The company is the most important in the industry, and the end of its labor trouble is not in sight.

DO YOU LIKE YOUR JOB?

Would you go into the same line of work if you could do it over again?

Dr. George Gallup's American Institute of Public Opinion put that question to a variety of workers recently. This week, it had an answer: Only 46% of all manual workers quizzed said yes; 43% said no; the remaining 11% didn't have any strong feeling either way.

Only 37% of the manual workers checked said they get "a lot of satisfaction" out of their work.

Among other groups of workers: 70% of professional and business personnel and 55% of white-collar people would stand on their first choice.



"WHAT'S OUR ADVERTISING DOING FOR OUR DEALER IN CRESCO, IOWA?"

The question, "What's our advertising doing for dealers?" logically is followed by another: "How can our advertising do more for our dealers?"

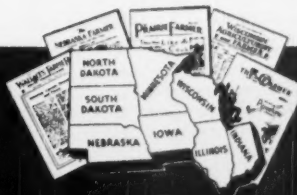
Here are some suggestions:

● **Support your dealers** with advertising at the local level, in the medium that will do the best job of helping them sell. (When asked, "In what farm publication will our advertising make the most sales for you?", 3 out of 4 midwest dealers named **Midwest Unit Farm Papers**.)

● **List their names.** Dealer listing is practical only in *local* farm papers.

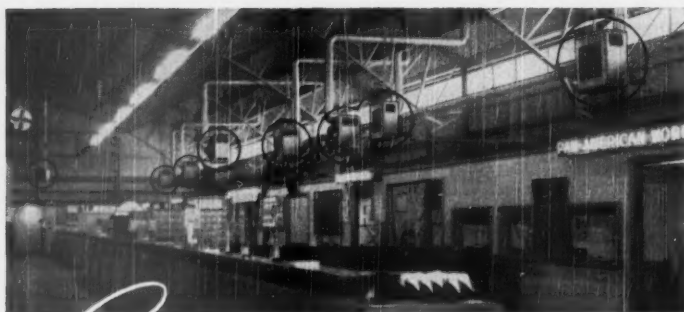
● **"Merchandise" your advertising.** Merchandising helps are available, at cost-of-imprinting, from each Unit paper. Ask to see the **AD-BOOSTER KIT**.

BUY THE UNIT. One order, one plate at a savings of up to 15% on rates.



MIDWEST
Farm Paper
UNIT

Midwest offices at: 250 Park Avenue, New York... 59 East Madison Street, Chicago... 542 New Center Building, Detroit... Russ Building, San Francisco... 1324 Wilshire Boulevard, Los Angeles.



Airport or Appliance Store

Moisant International Airport, New Orleans. Air line passengers enjoy both air ventilating and heating from Janitrol Unit Heaters installed by American Heating and Plumbing Company.

Small Janitrol Unit Heater provides clean automatic heating in Cincinnati appliance store. Installation is typical of hundreds made by the A. H. Gerdson Co.



for clean, automatic gas heat
at low installation cost,

it's **Janitrol**
UNIT HEATERS

Janitrol Unit heaters are completely automatic, self-contained, gas-fired heating plants. Installation is quick and simple, does not interfere with your business operations. Whether suspended from ceilings or hung from side walls no floor area is required.

From large plants with a hundred or more units, to small retail stores with one Janitrol, thousands of users of Janitrol equipment have found the answer to economical, automatic and dependable heating.

When you want clean gas heat, insist on Janitrol, compare features and performance records. Your Janitrol dealer is listed in your phone directory in the yellow pages under "Heating Apparatus—Unit Heaters".

Janitrol

A PRODUCT OF

SURFACE COMBUSTION CORPORATION • TOLEDO 1, OHIO

Area Pensions

UAW claims first success in reaching areawide pension agreement with 70 tool, die shops in Detroit area.

The United Auto Workers (CIO) last week claimed its first victory in a six-month drive for areawide pensions designed to cover small employers with a highly mobile work force. The union reached an agreement with 70 shops of the Automotive Tool & Die Manufacturers Assn., in Detroit, on a pension pact covering 6,000 employees.

• **Workers May Shift**—The ATDMA deal qualifies as an areawide plan because workers may move from one member employer to another without losing credits toward the 25 years of continuous service needed for retirement at 65. When they're eligible to retire, workers collect \$100 a month from a joint fund that ATDMA will set up.

This is the basis for UAW's claim that the plan represents the first victory in the campaign for areawide pensions. It now promises an intensified drive to win similar arrangements from other groups of small employers.

• **Not New**—Actually, the ATDMA contract is only an extension of a long-standing bargaining practice. The two Detroit amalgamated locals involved—Locals 155 and 157—have always signed one master pact with the association. The two locals also bargain with many employers outside the association. Under present plans, these won't be brought under the new pension program. So Detroit management men tend to question a union areawide "victory" claim.

The agreement with the tool shops climaxed several months of intermittent bargaining. Before that, UAW had concentrated on winning an areawide pension plan in Toledo (BW—Feb. 4 '50, p. 88). It failed there—among other things, because of a growing revolt within UAW ranks against the leadership of Richard T. Gosser, head of UAW in Toledo.

WET OR DRY, A JOB'S A JOB

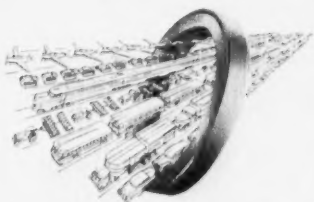
An unemployed "dry" can't turn down a job in a distillery and still draw state unemployment pay in Pennsylvania. The State Unemployment Compensation Board of Review so ruled recently.

A Phoenixville (Pa.) jobless-pay client was referred to a job opening at the Kinsey Distillery at Linfield. She refused to consider the job. Her explanation: She had taken the pledge—and as she interpreted it, that meant she could

When farm implements
become complete
food processors

National Oil Seals will protect the bearings

Imagine! A mechanical behemoth which does everything from harvesting to final packaging for the consumer. When this is a reality, there will be corresponding advances in all types of machines. And an important contribution to future high-speed mechanical performance will be the component parts of these machines. Oil seals are one of these vital component parts. We of National are always researching, engineering and testing "years-ahead" oil seals for tomorrow's super machines. That's why National Oil Seals give you "years-ahead" performance in your products of today. Our engineers welcome your problems on fluid retention or bearing protection.



GOOD POLICY FOR CAR OWNERS

Insist on a NEW OIL SEAL every time one is removed from your car. Example: when front wheels are re-packed, brakes repaired, etc. Experience shows that when you remove an oil seal it is usually damaged beyond further safe use. New oil seals are inexpensive insurance for bearings and brake linings—they cost but a few pennies. Always make your mechanic use genuine parts—the ones made for your car.

NATIONAL MOTOR BEARING CO., Inc.

General Offices: Redwood City, California
Plants: Redwood City and Los Angeles, Calif.; Van Wert, Ohio

NATIONAL
OIL AND FLUID SEALS

Original equipment on all
cars, trucks, busses, tractors,
in fact wherever shafts turn.

★ To Save Money on Package Mailing ★

Free Booklet



• You will want the information in this completely illustrated catalog to insure quick, safe and inexpensive delivery of your mail shipments of small samples and merchandise. Thousands of concerns in nearly every industry have increased protection and reduced mailing costs by the use of **Mason Mailmaster**. You can do the same. Write today.

THE Mason BOX CO.

★ ATTLEBORO FALLS, MASS. ★

make 'em love that job



Water Coolers

PRESSURE AND BOTTLE TYPES

GENERAL ELECTRIC

free

Mail coupon with letterhead for free beverage thermometer. Check the temperature of your drinking water. General Electric Co., Sec. BW-8, Air Conditioning Dept., Bloomfield, N. J.

NAME
ADDRESS
CITY

STATE

not work in a plant producing liquor. State unemployment-compensation officials disqualified her from drawing further benefits. They ruled (1) that a jobless-pay client can't impose conditions under which she will accept—or

refuse—a job; and (2) that work in a distillery would not involve any moral risk, or require breaking an antiliquor pledge.

The Review Board upheld the disqualification.

RULES & REGULATIONS To Be Observed By All Persons Employed In The Factory Of AMASA WHITNEY

FIRST : The Mill will be put into operation 10 minutes before sunrise at all seasons of the year. The gate will be shut 10 minutes past sunset from the 20th of March to the 20th of September, at 30 minutes past 8 from the 10th of September to the 20th of March. Saturdays at sunset.

SECOND : It will be required of every person employed, that they be in the room in which they are employed, at the time mentioned above for the mill to be in operation.

THIRD : Hands are not allowed to leave the factory in working hours without the consent of their Overseer. If they do, they will be liable to have their time set off.

FOURTH : Anyone who by negligence or misconduct causes damage to the machinery, or impedes the progress of the work, will be liable to make good the damage for the same.

FIFTH : Anyone employed for a certain length of time, will be expected to make up their lost time, if required, before they will be entitled to their pay.

SIXTH : Any person employed for no certain length of time, will be required to give at least 4 weeks notice of their intention to leave (sickness excepted) or forfeit 4 weeks pay, unless by particular agreement.

SEVENTH : Anyone wishing to be absent any length of time, must get permission of the Overseer.

EIGHTH : All who have leave of absence for any length of time will be expected to return in that time; and, in case they do not return in that time and do not give satisfactory reason, they will be liable to forfeit one week's work or less, if they commence work again. If they

do not, they will be considered as one who leaves without giving any notice.

NINTH : Anything tending to impede the progress of manufacturing in working hours, such as unnecessary conversation, reading, eating fruit, &c., must be avoided.

TENTH : While I shall endeavor to employ a judicious Overseer, the help will follow his direction in all cases.

ELEVENTH : No smoking will be allowed in the factory, as it is considered very unsafe, and particularly specified in the Insurance.

TWELFTH : In order to forward the work, job hands will follow the above regulations as well as those otherwise employed.

THIRTEENTH : It is intended that the bell be rung 5 minutes before the gate is hoisted, so that all persons may be ready to start their machines precisely at the time mentioned.

FOURTEENTH : All persons who cause damage to the machinery, break glass out of the windows, &c., will immediately inform the Overseer of the same.

FIFTEENTH : The hands will take breakfast, from the 1st of November to the last of March, before going to work—they will take supper from the 1st of May to the last of August, 30 minutes past 5 o'clock P.M.—from the 20th of September to the 20th of March between sundown and dark—25 minutes will be allowed for breakfast, 30 minutes for dinner, and 25 minutes for supper, and so more from the time the gate is shut till started again.

SIXTEENTH : The hands will leave the Factory so that the doors may be fastened within 10 minutes from the time of leaving off work.

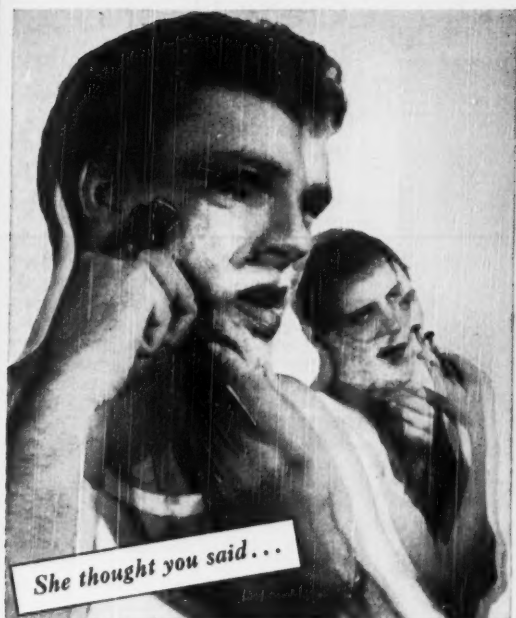
AMASA WHITNEY
Winchendon, Mass. July 8, 1880.

The "Natural" Working Day

The work rules of a New England textile mill provide the title for a new novel: *Sunrise to Sunset*, by Samuel Hopkins Adams (Random House). It's the story of a factory-girl's life and adventures about a hundred years ago.

Men still active in the textile industry can recall conditions similar to those in force at Amasa Whitney's mill in Winchendon, Mass. In the light of

the industry's present contracts with the CIO, these old work rules seem not only out of this world, but out of this planetary system. And the personnel man, who is drafting an employee rule book now, may pause to wonder for a moment if someday a novelist may find his rule book quaint background material for a historical story of life in the 1950's.



But you can't mistake "RAZORS" for "RACERS" on Disc Edison Voicewriter

Get Extra Hours This Easy Way

WITH THE AID OF EDISON'S EXCLUSIVE "CLEAR PICTURE" COMMUNICATION

You save valuable time... your secretary helps you more... office output steps up its pace... with Disc Edison Voicewriter.

It's the one machine that gives you the time-saving of machine dictation and gives your secretary the *understanding* of direct dictation. Your thoughts reach paper without delay, without mistakes—

more work accomplished, more easily.

Clearly Defines S, F, Z, TH Sounds

Edison's exclusive Ear-Tuned Jewel-Action gives "clear picture" transmission to words having those *s, f, z, th* sounds that ordinarily give so much trouble.

Because Edison reproduces a thousand more cycles per second—you can dictate in relaxed comfort... your secretary can

match your speed with less effort, less strain, fewer errors.

No other instrument matches Edison understandability—only Edison has Ear-Tuned Jewel-Action.

Write us for the helpful free booklet, "How to Simplify Your Daily Life." Address Thomas A. Edison, Incorporated, 46 Lakeside Ave., West Orange, N. J.



Executives save as much as a month a year when they replace old-fashioned handling of communications with the modern Disc Edison Voicewriter. Secretaries are freed for "junior executive" duties.



Compact Disc Edison Voicewriter is expressly built for office dictation and is portable, too—but with no sacrifice of understandability.



For free demonstration, phone "EDIPHONE" in your city or write Thomas A. Edison, Incorporated, West Orange, New Jersey. In Canada: Thomas A. Edison of Canada, Ltd., Toronto 1, Ontario.

Thomas A Edison

Riddle:



When do you make

more
money
with your doors closed?



Answer: in warm weather when your doors are closed because the interior is air-conditioned by Worthington.



People come in more and spend more . . . employees are happier, work better. Worthington air conditioning, economical to install and operate, pays for itself in more business, lower costs of doing business.

From buildings—such as Macy's new Kansas City store, General Petroleum Corporation's offices, and many Sears Roebuck stores—down to neighborhood sweet shop, beauty parlor and dentist's office . . . business is better with Worthington air conditioning.



Worthington users say Worthington equipment works best because it's all made . . . not just assembled . . . by Worthington.*



And Worthington's over-50-year experience in air conditioning and



refrigeration is balanced by your local distributor's engineering experience. (See Classified Telephone Book.) Worthington Pump and Machinery Corporation, Air Conditioning and Refrigeration Division, Harrison, N. J.

WORTHINGTON



AIR CONDITIONING AND REFRIGERATION

The Only Complete Line . . . Always the Correct Recommendation

*Worthington makes more of the vital components—compressors, condensers, engines, turbines, pumps—for completely engineered systems or unit conditioners than any other manufacturer.

Credit Unions

Employees like them: They make savings—and cheap loans—easy. Management likes them: They boost worker morale.

Flush days are over for "Joe"—the man at the plant gate with ready cash to be loaned to workers, at a price, until next payday. Workers still borrow money to tide them over, or for big purchases or emergencies. But most of them bypass the unlicensed loan shark. They go to small loan agencies—or borrow from themselves, through plant credit unions.

• **Gaining Ground**—The signs all point to big gains in credit unions in recent years. Two weeks ago, that growth was dramatized at Madison, Wis.: the Credit Union National Assn. dedicated a new headquarters building there. President Truman attended the ceremonies, and speakers cited some pointed facts:

• At the present time, there are 13,000 active credit unions in this country and Canada.

• They have 4-million members, and more than \$1-billion in assets.

• Last year, they made \$800-million in loans to wage earners: the loans averaged around \$250; in every instance, the rate was 1% per month on unpaid balances, less on large loans on real estate or crops.

• Income from interest on loans resulted in average 3% "dividends" on the savings of members.

• **What They Are**—Credit unions are cooperative organizations for savings and loans. Membership is limited to wage earners in a particular plant or office, or to members of farm, church, labor, or fraternal groups.

Entire control of the unions is in the hands of "shareholders"—those who have \$5 or more on deposit. Usually, a union has just one paid officer and a few paid clerks. Overhead is so low that, even though the interest rate is low, too, the credit unions show a profit—of which 20% goes, by law, into a bad-debt reserve; the rest goes into "dividends" on savings.

A credit union may be chartered either under a federal law, passed in 1934, or under special credit-union laws in 44 states. In most states, they come under state banking commission; whether federal or state, they operate under the same supervision and examination rules that cover banks.

• **Started in 1930's**—European credit unions go back more than a hundred years, but in this country, they didn't get a real start till the 1930's—when many wage earners were riding under a

FACTS about the WORLD'S LARGEST* MONTHLY MAGAZINE

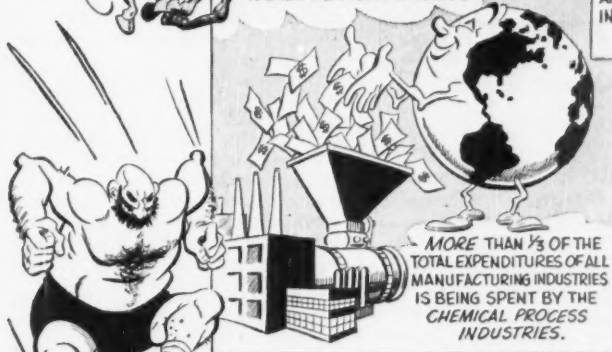
* IN ADVERTISING VOLUME

"SPEAKING AS ADVERTISING COUNSEL FOR BIRD MACHINE COMPANY SOUTH WALPOLE, MASSACHUSETTS, FOR THE PAST TWENTY-SIX YEARS, I REGARD **CHEMICAL ENGINEERING** AS VIRTUALLY A CORNERSTONE OF BIRD'S GREAT NEW RESEARCH AND DEVELOPMENT CENTER. ONLY **C.E.** FOSTERED SALES GROWTH MADE POSSIBLE SUCH A PRACTICAL BRICK AND CONCRETE DEMONSTRATION OF FAITH IN THE FUTURE OF THE PROCESS INDUSTRIES," SAYS **HAROLD BUGBEE**, PRESIDENT OF WALTER B. SNOW & STAFF, INC., BOSTON, MASS.

C.E. LEADS AT EVERY TURN!

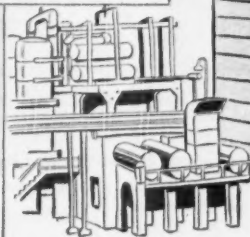


WORLD'S LARGEST MARKET!



DID YOU KNOW?...RAYMOND PULVERIZER DIV, CHICAGO, ILL., HAS ADVERTISED IN EVERY ISSUE OF **CHEMICAL ENGINEERING** FOR MORE THAN 25 YEARS!

C.E. REACHES MORE INDIVIDUALS WITH BUYING INFLUENCE AMONG TOP MANAGEMENT AND PLANT PERSONNEL THAN ANY OTHER MAGAZINE IN ITS FIELD... AND WE CAN PROVE IT!



Chemical Engineering
WITH CHEM & MET

INVITES FILING...

SPEEDS FINDING...



This cut-away view of the new Art Metal Speed File shows the smooth lay-back action that automatically places file contents in easy reference position.

THE NEW Art Metal **SPEED-FILE**

Filing takes less time—gains new efficiency and accuracy—with Art Metal's new Speed File. Automatic expansion at the back of and throughout each drawer—the latest feature in modern files—added to all of Art Metal's famous file features make the new Speed File the outstanding value in its field.

With this new automatic fea-

ture, drawer contents slope backward a full $3\frac{1}{2}$ inches at top of file folders when drawer is opened. It provides more filing space—makes filing easier, simpler—finding faster.

Analyze and improve your files with Art Metal's "Simplified Filing Analysis". Write today for your free copy to Art Metal Construction Co., Jamestown, N. Y.

Art Metal
BUSINESS EQUIPMENT



For the finest in business equipment... look to Art Metal!

heavy weight of debt at high interest.

Edward A. Filene, Boston department-store owner, put up \$1-million to finance a Credit Union National Extension Bureau. This helped quicken the spread of cooperative plans. They jumped from 168 in 1919, to 1,500 in 1931, and 10,000 in 1941. In 1934, CUNEB became self-supporting, changed its name and setup to become the present Credit Union National Assn.

• **Variety of Backers**—Sponsors of credit unions got a lot of support from labor unions—which were campaigning against "loan shark" activities. For instance, AFL's Street, Electric Railway & Motor Coach Employees union helped set up cooperative groups for Chicago's transit workers in 1938. Today, active credit unions are doing business at all 21 streetcar and "el" depots there. They've loaned \$18-million to transit workers in 12 years, and got almost all of it back with 1%-a-month interest. Currently, they have about \$1.9-million out on loan, with the average amount \$265. They have over \$3-million on deposit.

Railroad brotherhoods, AFL, and CIO endorsed credit unions, and in many cases helped get them started. So did farm bureaus, the farmers' union, and the Grange in rural areas. And the Federal Council of Churches, the American Assn. of Rabbis, and the Roman Catholic Church also helped boost the wage-earner savings and loan groups.

• **Management, Too**—Management has helped, too. It frequently worked with a labor union to set up plant groups: Management furnished office space and technical advice; the plant union helped get workers together and win their support.

Management has good reason to be interested: Experience has shown that the cooperative groups are good for employee morale.

Employers report that credit unions ease workers' financial worries by promoting thrift and making possible quick, cheap loans in emergencies.

Employers find, too, that credit unions provide valuable training for employees—who run the operations themselves. And they say the cooperative groups have wiped out one past source of labor-management ill-will—management loan programs.

• **Problems**—In recent years, the credit unions have had only one really big problem: getting a substantial enough volume of loans to pay "normal" dividends on savings. They've met it, in part, by broadly interpreting a restriction to loans for "provident and productive purposes." Today, that means furniture, fuel, automobiles, household appliances, home repairs, and education—things the originators of the credit-union idea never thought of.



There's no substitute for packaging experience in

THE SQUEEZE-AND-FREEZE BUSINESS

Just one glance at the line-up of frozen concentrates packaged in Continental cans will convince you that no one can top Continental's experience in this field.

One of the important things we have learned is that, as in any packaging operation, many delays and breakdowns can be prevented before they happen. Continental's packaging equipment engineers work on the "ounce of prevention" principle. Their objective is to keep your oper-

ation running smoothly at all times.

This mastery of a specific packaging field is not new to Continental. Whatever you package—whether you put it in a can, a paper container, a steel drum or a fibre drum—Continental is prepared to give you the best in containers and service. We have the research facilities and the manufacturing capacity* to cover a wide variety of packaging situations and problems. Is there anything we can do for you?



A treat for the whole family

Vitamin-packed frozen fruit juice concentrates have the true flavor of sun-ripened fresh fruit. And they're so easy to prepare—open the can, add water and serve.

Be sure you try the equally handy and delicious frozen coffee and cocoa concentrates, too.

*You can't beat
Continental as
a dependable
source of supply!*

CONTINENTAL  **CAN COMPANY**

100 East 42nd Street

New York 17, N. Y.

*MAKERS OF: Tin Cans • Fibre Drums • Paper Containers • Steel Containers
Plastic Products • Crown Caps and Cork Products • Decoupage • Machinery and Equipment

Maintenance



Repair



Parts Forging

Blacksmithing

THE VERSATILE HAMMER SELF CONTAINED • PNEUMATIC

The Chambersburg Motor Driven Pneumatic Forging Hammer is a self-contained forging unit that can be installed independent of steam or air lines and is capable of handling a wide variety of forging work from simple blacksmithing to machinery repair and maintenance work. It has a built-in motor driven air compressor and can be installed wherever electric current is available. Heavy anvil, high impact speeds, powerful blows and easy control of blows distinguish this versatile hammer. Sizes 200 lbs. to 5000 lbs. Write for a copy of Bulletin 16-L-9.

CHAMBERSBURG ENGINEERING CO., CHAMBERSBURG, PA.



THESE fine chairs are eloquent spokesmen for the quality of your business. They make a good first impression of modern, attractive, and efficient operation. This impression lasts.

The C-1500A suite has the look and feel of quality in every line. Coil spring seat, covered with soft padding, provides deep and resilient comfort. Modern design is graceful, functional, free of fuss and fancy. Leather, fabric, or smooth-finish

HARTER CHAIRS SAY

"Welcome!"



upholstery in the color of your choice.

Harter builds a complete line of chairs for every room in the office, every worker, every job. Go to your Harter dealer for helpful advice on office seating problems. We'll send along his name and address with free literature. Just drop us a line.

HARTER
STURGIS, MICHIGAN
STEEL CHAIRS - POSTURE CHAIRS



Write for free illustrated literature on C-1500A suite, Harter Corporation, 206 Prairie Ave., Sturgis, Mich.



REP. BARDEN, who succeeds Lesinski as head of House Labor Committee, is both...

New-Different

Labor looks for trouble from new head of House group. Barden is conservative; he could hold up anti-Taft-Hartley drive.

The Administration and its union allies expect only trouble from the House Labor Committee during the rest of this session. They lost their biggest supporter last weekend through the death of Rep. John Lesinski, the committee chairman. Under his successor, Rep. Graham A. Barden, the House labor group will have an entirely different labor slant. (Barden moves into the top spot via seniority.)

• **A Conservative**—Rep. Barden, 53, a North Carolina lawyer and former county judge, is one of the most conservative members of the House. He's considered to be strongheaded, outspoken, unpliable. Political and union leaders know from experience that they can't even influence him, much less control him.

Moreover, he is firmly set in the House. He has been there since 1934—and isn't opposed in his bid for reelection this year. So he is likely to be around in his new committee job next year, too, unless the House changes in political complexion this fall.

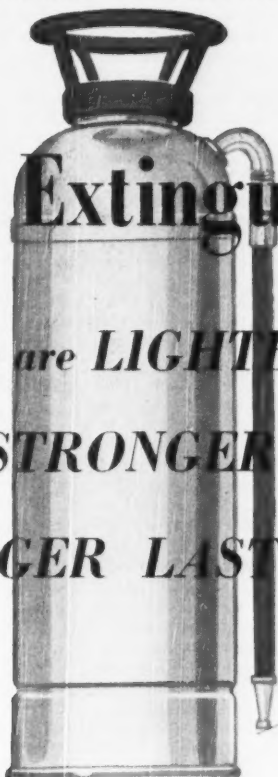
• **On "Wrong" Lists**—Barden's name shows up consistently on union lists of congressmen who vote wrong—from labor's viewpoint. On the other hand, Lesinski was just as consistently "right" in his voting.

Barden is for a tougher Taft-Hartley law. He was a member of the joint

Another of the Jobs* that Stainless Steel does BEST

* Fire Extinguishers

that are **LIGHTER**
STRONGER
LONGER LASTING



HERE'S an old friend with a handsome new face—and definitely new sales appeal, too! Can you improve a fire extinguisher, without materially changing the design or method of operation? The answer is emphatically yes—by making it of stainless steel.

For one thing, fire extinguishers made of Allegheny Metal are a third *lighter* than ordinary types. Women can operate them easily, and that could mean many a fire brought under quicker control, causing less damage. A second point: stainless extinguishers are at least 50% *stronger*. They're tested to much higher hydrostatic pressure than older types—which means they're potentially safer, longer-lasting, and better able to take a beating. And third: they're *better-*

looking—always bright, smart and efficient in appearance—a strong sales point with any buyer.

So—add fire extinguishers to the thousands of uses today for stainless steel. How about you? What jobs do you have where Allegheny Metal will pay you a profit? *Let us help you to find out,*

* * * * *

Complete technical and fabricating data—engineering help, too—are yours for the asking from Allegheny Ludlum Steel Corporation, Pittsburgh, Pa. . . . the nation's leading producer of stainless steel in all forms. Branch Offices are located in principal cities, coast to coast, and Warehouse Stocks of Allegheny Stainless Steel are carried by all Joseph T. Ryerson & Son, Inc. plants.

You can make it BETTER with
Allegheny Metal



W&O 3065

YOUR GOODS DELIVERED DAYS SOONER



P.I.E.
PACIFIC INTERMOUNTAIN EXPRESS

FASTEST-BY-LAND

BETWEEN
[SAN FRANCISCO] and [CHICAGO]
[LOS ANGELES] and [ST. LOUIS]
Fastest to all intermediate points



Eastbound freight or west-bound—you save days of shipping time... get unequalled advantages of security, dependability, and economy via P-I-E. Shippers agree—it's P-I-E! We also please the consignees!

Chicago • St. Louis • Kansas City • Denver • Ogden
Elko • Reno • Ely • Pocatello • Salt Lake City
San Francisco • Los Angeles • Sacramento • Oakland
General Offices: 299 Adeline, Oakland 20, Calif.

conference committee that reported on the T-H bill in 1947—and he delayed the House-Senate compromise bill for two weeks while he fought to keep more of the tougher House clauses in.

More recently, he fought for—and won—exemptions that kept a million workers out of coverage under the amended wage-hour act. But he did vote for the 75¢ hourly minimum wage after he had won his point on exemptions.

• **Now What?**—The House Labor Committee is now split 12-12 on controversial labor legislation. A pro-labor legislator is pretty sure to be named to restore the former thin 13-12 margin for labor. But that won't put the committee back where it was on economic and social matters.

That's because of the role a House committee chairman holds. He is all-important in many ways. He can speed bills to the House floor—or keep them bottled up almost indefinitely. And since only he can sign subpoenas, he can press or stifle investigations. Witness the way Lesinski recently blocked a subcommittee chairman, Rep. Andrew Jacobs, when Jacobs wanted to subpoena John L. Lewis during a probe of democracy in labor unions.

Barden probably will let Jacobs go ahead with a probe into Lewis' union practices. For some time, it has been considered a sure thing that no labor legislation would come out of the committee this year. Now there's a new question: Does Barden's new assignment mean that the Administration's expected anti-T-H drive in 1951 will be bottled up in the House?

Pre-Dawn Phone Calls Anger Sleepy Strikers

If an employer telephones sleeping strikers before dawn and razzes them, is that an unfair labor practice? The National Labor Relations Board may have to decide.

It's all a result of frayed tempers in the strike of AFL commercial telegraphers against United Press. The telegraphers struck nationally against UP on Apr. 30, demanding a \$6.50-a-week pay hike instead of the \$2.21 offered by UP. The newspaper and radio press service kept operating by using supervisors and maintenance men as teletype operators.

• **Who's There?**—The union's 32 strikers in Chicago adopted a policy of harassment. They telephoned substitute operators while they were on the job—then hung up when they reached the phone. Strikers also telephoned UP officials at their homes or hotels.

• **Get Up, Sleepyhead**—Harassed non-strikers and management stood it for

a while. Then they retaliated. The strikers' phones began to ring between 3 a.m. and 5 a.m. According to the official complaint to NLRB, groggy strikers were asked, "Why don't you get up and go to work, you old sleepyhead?" Unofficially, a union source insists that the more frequent greeting was, "Wake up, you lazy . . . , and go back to work, ha, ha, ha."

• **Is It Taboo?**—The union filed unfair labor practice charges. It complained: "UP is trying to break down (union) morale. It's trying to keep strikers awake at night so they won't be efficient pickets during the day." The union charged that this is illegal interference with a union.

Despite UP's retort that its calls were just a matter of tit-for-tat, NLRB's regional office docketed the case.

LABOR BRIEFS

The GM-IUE contract, signed last weekend, virtually duplicates the five-year agreement reached by GM and UAW (BW—May 27 '50, p. 102). It covers 30,000 workers, may set a pattern for the rest of electrical manufacturing.

No wage demands are planned this year in woolen and worsted mills by CIO's textile union. It's waiving an August pay reopening, hoping for better times in the industry when contracts run out next Feb. 1.

NLRB union-shop polls totaled 510 in April—with 91.5% of votes cast for union-shop bargaining.

A phone-raise delay has been ordered by the New Jersey Superior Court, acting on an appeal by New Jersey Bell Telephone from a state arbitration board award. The board called for a \$2.50-a-week pay hike.

A 5¢ pay rise goes to employees in six International Paper Co. mills under a new AFL contract. They'll also get two more paid holidays annually.

International Harvester and UAW have agreed on a "package" pension and welfare plan that follows the terms of the Chrysler settlement (BW—May 13 '50, p. 108). The two still have bargaining ahead on a wages-and-hours contract which expires Aug. 23.

The Pictures—Acme—84; Henri Cartier-Bresson (Magnum)—101, 102; Eastern—104, 105; Harris & Ewing—24 (top); Wide World—19 (top rt.), 21, 94.



Just a Piece of RUBBER

That's all.

It stretches—and snaps back again.

But on that simple quality of elasticity our modern world is based—our automobiles, our trucks and busses, our planes, our telephones and electric appliances.

Natural Rubber comes from Southeast Asia

Natural rubber from the milk of the rubber tree is a key raw material of modern living.

Over 90% of all tree rubber comes from Southeast Asia—over a million tons a year.

And the United States uses nearly half of it.

Better Living for all of us

More natural rubber means better living for all of us—better tires, better cushioning, better roads, better hundreds of other products.

And more natural rubber means better living for millions of people in Southeast Asia as well—people who are outside the Iron Curtain and who look to the United States as their principal market.

Natural rubber is one of the few agricultural products that is selling today on a free market—unsubsidized, uncontrolled, and unrestricted.



Over 90% of all the rubber grows in the world comes from this area—Southeast Asia.



Natural Rubber

Nature and Science Serving Mankind

"Natural Rubber and You" A free picture booklet showing how natural rubber is grown and giving facts and statistics about its production and use.

New Uses For Natural Rubber Booklets on "rubber roads" and "latex farm machinery" tell about these important recent developments in new uses for natural rubber.



Natural Rubber Bureau 1831 K St., N. W., Washington 6, D. C.

These Booklets Sent Free On Request

NATURAL RUBBER MEANS BETTER QUALITY AND LOWER PRICES IN HUNDREDS OF RUBBER PRODUCTS — FROM BABY NIPPLES TO GIANT TRUCK TIRES



Memory Jogger...

How long do prospects remember an advertising message?

Not very long as a general rule. There is a way, though, to jog their memories *just when they're ready to buy.*

Trade Mark Service is the answer. It puts your trade-mark or brand name over a list of your dealers in the 'yellow pages' of the telephone directory. That's where

9 out of 10 shoppers look for buying information.

You can blanket the nation with the 32,000,000 circulation of the 'yellow pages'... or use a part of it in certain localities.

Trade Mark Service leads prospects right to your dealers—gives the kind of "follow-through" that keeps your sales messages working right up to the point of sale.

**For further information, call your local telephone business office
or see the latest issue of Standard Rate and Data**



INTERNATIONAL OUTLOOK

BUSINESS WEEK

JUNE 3, 1950



Will the Russians make a bid for bigger East-West trade?

The Economic Commission for Europe (UN group in Geneva) had word this week to that effect. The Russians said they were ready to discuss a grain deal with western Europe.

Some ECE officials think the Russians will go further—announce they are ready to unfreeze East-West trade all around.

Moscow, of course, would want a concession the U. S. can't accept—dropping of export controls on what the West sells to Russia and its satellites.

If Moscow decides to plug this line, chances are it will be a pure propaganda move.

Washington just can't believe the Russians would be ready to trade freely, even if we were. That would mean letting full details on the Russian export potential out of the bag—something the Russians have never done.

But as propaganda, Moscow could make a lot of the East-West trade line. Its big appeal would be in western Germany. Industry there is crying to get back its markets in eastern Europe.

There was more smoke than fire in last week's Communist youth rally in Berlin. But don't underrate the importance of the affair.

It proved that the Russians have perfected the Nazi technique in eastern Germany. Also it showed that the Soviet-trained "police force" could be turned easily into a tough army.

For the West, the rally held two warnings:

Berlin is more vulnerable now than ever to war-of-nerves tactics.

Moscow is ready for a long, bitter fight to get control of Germany.

The British are about ready to wash their hands of the Schuman coal and steel pool.

London and Paris are poles apart on how to work out such a scheme.

Schuman's idea is to act first, discuss details later. For example, last week, he sent a secret note to Bonn, Brussels, and London outlining a treaty for the pool. The treaty would set up at once a "high authority" to carry out the pool plan. Decisions would be binding on treaty signatories.

London quickly countered with this proposal: Call a conference to draw up a concrete procedure for France and Germany. London would help in this project, might decide to join up itself. But it would reserve its decision to join until more details had been worked out.

In Paris, fears are growing that France is in for a business recession.

The general production index sagged to 109% of 1938; it was 130% in December.

The French Senate thinks it has a remedy. It would slash public investment in nationalized industries by 25%. The money thus saved would then be lent to private industry.

There's now an official estimate on French tax evasion—and it's a whopper.

A special commission on tax fraud has found:

Roughly 1-trillion francs of income escaped taxation last year.

One third of the nation's taxable commercial transactions went untaxed.

The commission also says that the French Ministry of Finance normally

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK

JUNE 3, 1950

allows for a 20% tax evasion when it draws up its estimates of tax receipts.

Britain's decision to join the European Payments Union is a partial retreat from bilateral trade. The British are making two concessions in accepting EPU:

(1) Surplus sterling earned in current trade will be exchangeable for other western European currencies. Up to now, sterling surpluses have been tightly controlled through bilateral agreements.

(2) Quotas on British imports will be applied on a global—rather than bilateral—basis. This will allow suppliers from all western European countries to compete equally in the British market.

The payments union may be a going operation before July 1. But EPU is being launched over the objections of many bankers both here and abroad.

The bankers' opposition is basic: EPU is supposed to bring currency convertibility to western Europe. But these bankers say the only safe way to get convertibility is to have every country pursue a "hard-money" policy at home. That means deflation, if necessary, to the point of serious unemployment. This school of thought has supporters in the U. S. Treasury.

But it's hard for any government these days, on either side of the Atlantic, to operate a hard-money policy and still stay in office.

The British people can hardly believe they are still living under a Socialist government.

It's the end of gas rationing that has made Britons feel better. This came on top of (1) bigger currency allowances for trips abroad; (2) freedom for small-scale private building; (3) lifting of most controls over steel; and (4) the end of canned-goods rationing.

Now it's hoped that rationing of soap, fats, and meat will end soon.

Even when all rationing ends in Britain, the government will still have a pretty tight hold over the economy. Ownership of the nationalized industries, plus bulk-buying of imports gives the government that.

But the average Briton today feels that he has fewer noticeable chains around his life. And that's sure to help Labor if there should be another election this year.

The one thing Labor won't get all the credit for is the end of gas rationing. When Churchill proposed this just before the February election, Labor leaders accused him of being irresponsible.

Two U. S. oil companies—Standard of New Jersey and Caltex—get a break now that retail gas sales are free in Britain and the rest of the sterling area.

The two companies are to supply one third of the additional gas needed, or about 400,000 tons a year.

But the British Treasury will pay for this in sterling, not dollars. What's more, the sterling must then be spent either in the sterling area or in western Europe.

So don't look for a general dollar-sterling oil settlement right away. That won't come until U. S. oil companies are allowed to earn more dollars as well as more sterling.

BUSINESS ABROAD



ARMY-PARTY DICTATORSHIP, Moscow-bossed, runs China's "war communism."

Russia Closes Clamps on China

Moscow has forced Mao to scuttle his plan for gradually molding China to Communist pattern. Stress now is on all-out military communism, quick death to capitalism, isolation of West.

Stalin is calling the tune in China today—so much so that the Chinese Communists have had to forget about their national plans and hopes.

Mao Tse-tung has all but scrapped his own plans for communizing China gradually. Stalin has insisted on all-out military communism for China, under a tight dictatorship of the army and party elite. Economic and social advances are to wait until Moscow has welded its empire together.

• **Dark Future**—The turning point came four months ago, when Mao signed the 30-year Sino-Soviet alliance in Moscow. The facts are just now beginning to seep out of China. And they add up to this dismal prospect for the Chinese:

• **The fusion**—economic and military—of Manchuria with the Soviet maritime provinces of Siberia.

• **The extermination** of China's merchant class.

• **The isolation** of China from trade with the West.

Before his pilgrimage to the Kremlin in December, party leader Mao was talking about a semi-independent Red China, smuggling close to Soviet Russia but maintaining diplomatic and trade relations with the West. Mao hoped that Peiping might become the center for an Asiatic bloc of nations. He

planned social reforms, and a slow transformation of the Chinese society to the Communist model. During the changeover period, he wanted a system of watered-down capitalism—something like Russia's New Economic Policy of the 1920's. But Moscow thought otherwise.

• **Stalin's Scheme**—Stalin's program for his new protegee was this: China's foreign and domestic policy must be subordinated to the requirements of Soviet world strategy. China must become a streamlined police state, geared to help Russia in its drive to take over Europe and Asia. There could be no Asia bloc, no social reform, no demobilization of Mao's vast, expensive army. Not yet, at any rate.

Mao had hoped to make Manchuria a Chinese Ruhr, supplying tools for an industrial reconstruction program for the entire country. But he gave up this idea under Kremlin pressure. Now, the Soviets are busy integrating Manchuria into eastern Siberia, set to make it the springboard for any Soviet offensive against Japan—or the U.S.

• **"Concession"**—The only "concession" Mao got in the Manchurian deal was the assurance that he wouldn't have to finance reconstruction there out of the \$300-million Soviet loan that was

tied in with the 30-year alliance. The Russians are rebuilding Manchurian industry themselves. In fact, the Chinese Communist press doesn't even mention the area any more when it talks of China's industrial-planning policies.

The Chinese, though, will be tapped in one way for the Manchurian reconstruction. They're obligated to supply and feed the huge labor force for the project. That will make the Chinese Communist government there nothing more than a slave-labor administration under Russian bosses. And it won't be any different in 1952, when, under the Sino-Soviet alliance terms, title to Manchuria's ports and railways will revert to China. The Kremlin figures that by that time the area will be so completely fused with the U.S.S.R. that even a 100% Chinese administration could do nothing but obey orders.

• **More of Same**—The same tactics are evident in Sinkiang province, far in the interior of China. Moscow intends to bring Sinkiang (or Chinese Turkestan) into the U.S.S.R. as another Soviet Central Asian republic. It is already beating the propaganda drums for a "Pan-Turkism" to unite Sinkiang and Soviet Turkestan. In Sinkiang, the Soviets have set up mixed Russian-Chinese corporations, and the administration is almost completely Moscow-ruled. The Chinese will supply slave labor there, too.

• **Hierarchy**—In China proper, the first effects of Stalin's masterminding became visible in the staffing of the top Communist hierarchy. The so-called "nationalist" faction, headed by Mao himself, foreign minister Chou En-lai, and military man Chiu Teh, survived the Moscow junket intact. Since then, however, some of Mao's old factional opponents—the "internationalist," Moscow-oriented group—have been elevated to key power posts in order to balance Mao's influence. Li Li-san is running the labor unions. Liu Shao-ch'i bosses the Central Control Commission, and Chen Shao-yue controls manpower and industry. And in Manchuria, Kang Sheng, a Moscow-trained secret policeman, is Stalin's stooge.

Besides these trusted "Muscovites," there are Soviet advisory commissions for the Chinese army, the secret police, and for the industrial administration. There are also tens of thousands of Russian technicians.

• **End of Merchants**—The Kremlin's remote control shows up in plans for the extermination of China's middle class. Capitalists have no function in Stalin's "war communism" pattern. Mao had hoped that the capitalists would continue to produce consumer goods and keep up foreign trade under strict state control. But such a moderate policy has given way to a scheme for the gradual expropriation of private

THE Magnavox COMPANY
MAKERS OF FINE RADIO-PHONOGRAPHS
AND TELEVISION RECEIVERS



**DIVIDEND
NOTICE**

The Board of Directors of The Magnavox Company declared the following dividends:

CLASS A STOCK

A dividend of 25 cents per share, payable June 1, 1950 to stockholders of record May 15, 1950.

COMMON STOCK

A dividend of 25 cents per share, payable June 15, 1950 to stockholders of record May 25, 1950.

R. A. O'CONNOR
President

May 9, 1950

STANDARD PRACTICE ...



FOR STENCIL MARKING SHIPMENTS

Users save \$50 a month with Marsh Stencil Machines, Brushes, Inks, Electric and Hand Operated machines cut 1/2", 3/4", 1" letters. For sample stencil, Shippers' Handbook, prices, pin this to business letterhead with your name.

MARSH STENCIL MACHINE CO.
58 Marsh Bldg. • Belleville Ill., U. S. A.

**FACTS ABOUT
THE BUSINESS WEEK MARKET**

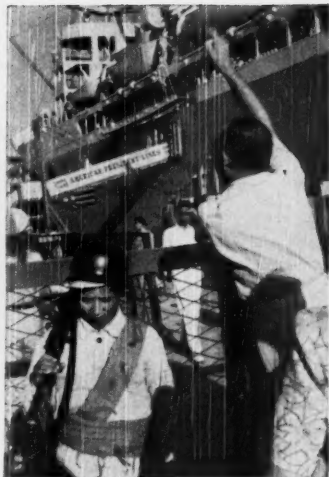
- The average annual gross income of Business Week subscribers is \$16,940.
- 94% of Business Week subscribers own one or more automobiles.

Source: 1949 survey of Business Week subscribers

**YOU ADVERTISE
IN BUSINESS WEEK
WHEN YOU WANT TO REACH
MANAGEMENT MEN**



SHANGHAI, once bustling and rich, is now a dying city.



WEST PULLS OUT: One of the last U. S. ships leaves Communist Shanghai.

business. Harsh taxation and forced subscriptions to victory or reconstruction loans will milk the capitalist dry. Taxes are levied on gross receipts, not profits, so that an enterprise losing money is particularly hard hit.

Reports from China indicate that the Communists are doing fairly well in their drive to wipe out the merchants. From Shanghai, and other commercial cities, comes word of a climbing suicide rate among Chinese small businessmen.

Paralysis is creeping over all China's commerce. Shanghai, once wealthy and bustling, is a dying city. Only 100 of 500 Chinese banks in Shanghai remain open. Other businesses in port cities are ordered to move to the interior, where they perish for lack of electric power and raw materials. And it's only the beginning. Before long, all Chinese private business, and of course foreign enterprise, will be liquidated.

• **Trade Gone**—Foreign trade has just about ceased. In Moscow, the Chinese leaders were promised that by 1952 all western imports would be replaced by goods from the Soviet empire. Already, an East German trade delegation is negotiating in Peiping. Though the Chinese may doubt that the satellites can replace U. S. and British imports, the Kremlin has enough power to enforce its trade isolation policy. Trade with the West in the coming year probably will be restricted to back-door smuggling operations in Hong Kong, Macao, and possibly Japan.

• **Peasants Hurt**—The stifling of business will hurt Mao's government in many ways; one of them is the heavier tax burden it will mean for the peasants. That, in turn, will bring on more and more police-state measures.

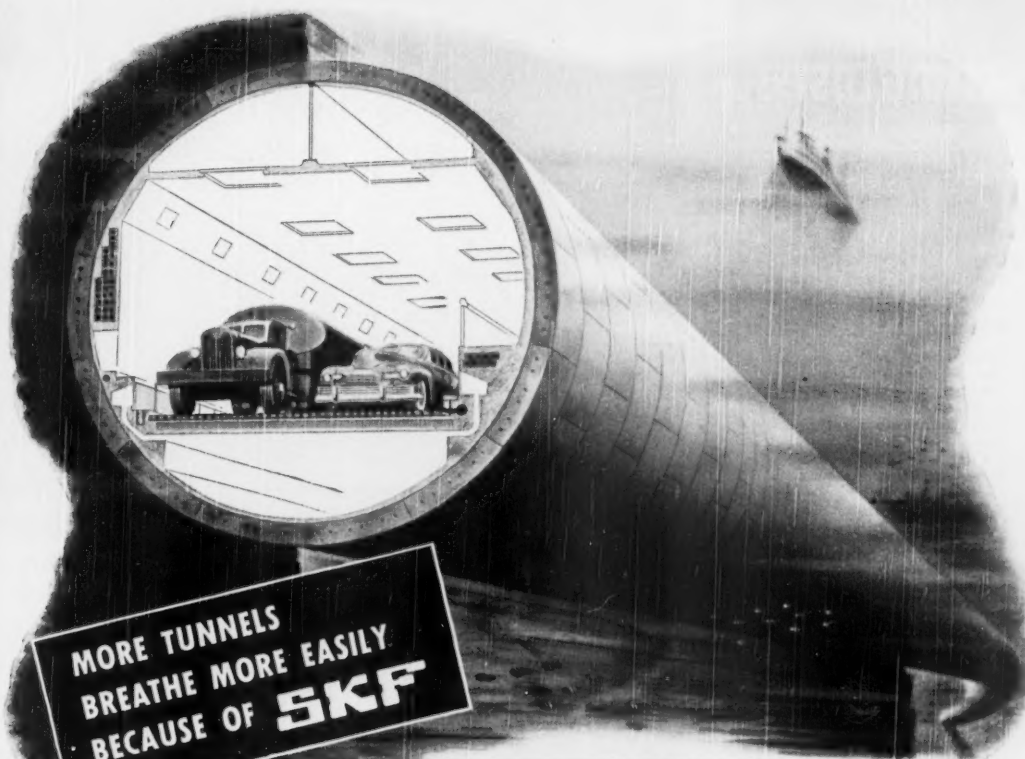
Mao's original plans for agrarian re-

forms included shifting the main burden of taxation from the peasants to the cities—to industry and commerce. He hoped to cut down military expenses, earn foreign credits. But following Stalin's China plan has meant boosting war expenditure. At the same time, he has lost tax income in the cities. So with a good deal of reluctance, Mao Tse-tung has had to resort to squeezing peasants—something all Chinese governments before him have done. The peasant who paid for Chiang Kai-shek's regime is going to pay for "war communism."

And chances are, he'll pay more than ever before. In the North, the peasant loses one-third of his income through taxation. In the South, which was untouched by civil war, Communists are requisitioning large amounts of agricultural produce with no regard for local needs and next year's sowing. Already, there have been peasant uprisings—and displaced city workers have been pressed into service to quell them.

• **Trouble Expected**—The Kremlin knows that its tough Chinese policy is going to cause trouble. There are bound to be Titoist tendencies in the higher echelons of the Chinese Communist party; and among the mass of Chinese people, there'll be resistance. So Stalin and his Chinese henchmen are readying a bloody purge—with the usual spy trials and executions. The purge, which probably will get under way before the year is out, will cut deeply into the ranks of former Chiang Kai-shek supporters, into the army, and into the intelligentsia.

But it's an illusion to expect Chinese resistance to flower into an open break like Yugoslavia's. The time for Chinese Titoism is not yet.



**MORE TUNNELS
BREATHE MORE EASILY
BECAUSE OF SKF**

TYPICAL SKF VEHICULAR TUNNEL INSTALLATIONS

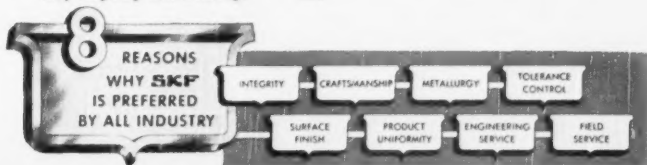
Location	Number of Fans	Fan Manufacturer
LINCOLN TUNNEL, New York—South Tube	36	Buffalo Forge Company
LINCOLN TUNNEL, New York—North Tube	20	Westinghouse Electric Corp.—Sturtevant Division
QUEENS MIDTOWN TUNNEL, New York	46	Westinghouse Electric Corp.—Sturtevant Division
GEORGE WASHINGTON BRIDGE APPROACH TUNNEL, New York	8	Buffalo Forge Company
PENNSYLVANIA TURNPIKE—7 TUNNELS	26	Westinghouse Electric Corp.—Sturtevant Division
BANKHEAD TUNNEL, Mobile, Ala.	3	Clarage Fan Company
BROOKLYN BATTERY TUNNEL, New York	53	Westinghouse Electric Corp.—Sturtevant Division
BROOKLYN BATTERY APPROACH TUNNEL, New York	12	Westinghouse Electric Corp.—Sturtevant Division
WASHBURN TUNNEL, Houston, Texas	5	Westinghouse Electric Corp.—Sturtevant Division



SKF Spherical Roller Bearings have been specified for most of the major tunnel-fan installations because they're self-aligning . . . long-lived . . . require infrequent lubrication and inspection . . . give continuous trouble-free service under highly adverse conditions. SKF Industries, Inc., Philadelphia 32, Pa., the Pioneers of the Deep Groove Ball Bearing, Spherical Roller Bearing, Self-Aligning Ball Bearing.

7073

SKF
BALL AND ROLLER BEARINGS



Reduce SELLING COSTS!

• **DISTRIBUTE** your product from **SANTA CLARA COUNTY**

• You can materially reduce Pacific Coast sales costs by distributing your product from Santa Clara County.

• **POPULATION CENTER**

• Due to Santa Clara County's strategic location at the population center of the Pacific Coast, the maximum number of people can be reached at the minimum cost. But don't be content with generalities. Write for specific details contained in our new folder — "Closer to more people!" It's factual and free — but write on your business letterhead.

• Dept. W, San Jose Chamber of Commerce, San Jose 23, Calif.

**SANTA CLARA
COUNTY** *California*

The Population Center of the Pacific Coast



Ranks supreme in quality and permanence for letterheads, documents and policies. Write for sample book.
BYRON WESTON CO. DALTON, MASS.



FAR HIGHER CHEMICAL RESISTANCE

SURETY SURESEAL
synthetic rubber
INDUSTRIAL GLOVES

Sureseal Synthetic has higher chemical resistance—and much higher snag and abrasion resistance—than rubber or standard synthetics . . . means better hand protection, lower glove costs. Ask your distributor or write: DEPT. W-2

THE SURETY RUBBER CO. Carrollton, Ohio
Manufacturers of industrial & household gloves, coated fabric work gloves, and linemen's safety equipment.

see "Clues" section on page 106



OLD OPEN CUT in brown-coal fields at Victoria, Australia, has two faces—each 90 ft. deep. They yield 6.2-million tons a year for making briquettes and electricity.



NEW OPEN CUT is just starting. It's a 40-acre deposit that runs 320 ft. deep into the ground. Heavy-duty scrapers will strip off 40 ft. of top soil to get at coal deposit.

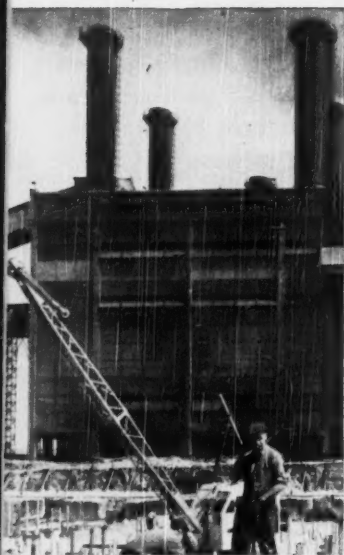
Brown Coal — Cheap Power

Brown coal—softer than soft coal, harder than peat—comes thick and close to the surface in the Latrobe Valley, State of Victoria, Australia. But brown coal has to be pressed into briquettes or converted into power on the spot; it's not economical to ship. So the Victoria State Electricity Commission is spending \$100-million to expand pro-

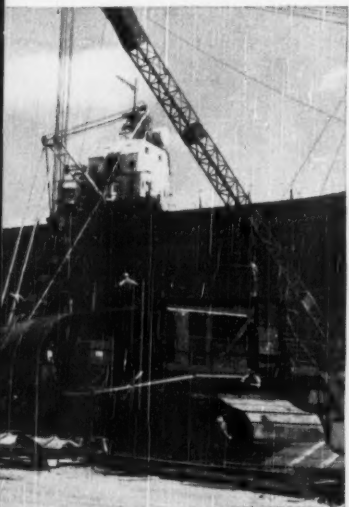
duction of briquettes and electric power at Latrobe.

• **Expansion**—The commission already has one big power station there. Now it's building two more. When these are completed, total capacity will be 350,000-kw.

The commission is also starting a new open cut in its 40-acre deposit at Mor-



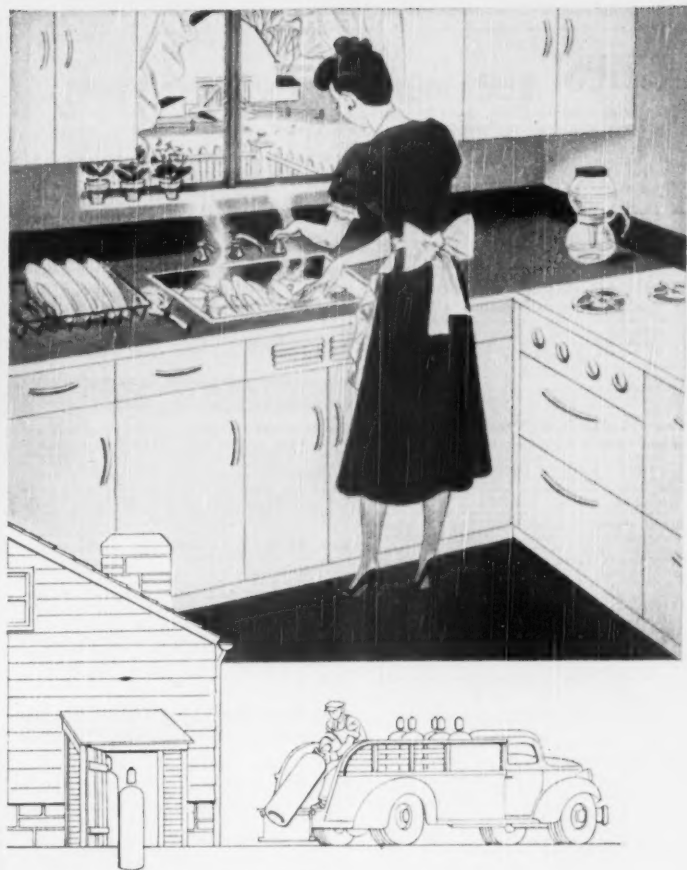
POWER STATION, built on top of its fuel source, has 175,000 kw. capacity.



REDGER, German-built, will gobble up huge piles, speed output.

For Australia

well. The seam here is one of the thickest in the world—it runs 320 ft. deep. At the present open cut at Yal-loun, miners are stripping two faces that are each 90 ft. deep. Germany is supplying the Victoria State Electricity Commission with two enormous bucket-wheel dredgers for the expanded operation.



"Aladdin's Lamps" for the rural dweller—

SCAIFE LP-GAS CYLINDERS.

Purveyors of "bottled gas" are not magicians—just business men who serve farmers, rural dwellers and others by making possible the comfort and convenience of gas for cooking, water heating, and other services in homes beyond the gas mains. Through experience, they have learned that the name SCAIFE on the steel cylinder or "bottle" that carries their pay-load is a guarantee of greatest satisfaction and overall economy.

In many other fields, too, where air, water or gases are stored under pressure, the name SCAIFE is widely recognized as the symbol of highest quality.



Scaife Company

OAKMONT (PITTSBURGH DISTRICT), PA.

Makers of Pressure Vessels For Air, Gases, Liquids

clues: to the solution of management men's problems.

Published twice monthly—closes 12 days in advance. Rate—\$4.50 per line (\$2.50 per line for positions wanted ads), minimum 3 lines. Allow 5 average words a line; count 2 words for box number. Write for special rates for Business Services advertisements. Address box number replies c/o BUSINESS WEEK to the office nearest you. NEW YORK, 330 W. 42nd St., CHICAGO, 520 N. Michigan Ave., SAN FRANCISCO, 68 Post St.

EMPLOYMENT

Position Vacant

Sales Manager. Unusual opportunity for man with substantial industrial selling experience. Well established manufacturer needs man capable of organizing and directing new division to sell well known materials in rapidly growing packaging material field. Salary dependent upon qualifications. Please submit full details as to background, experience and references. Replies will be held in confidence. Box 6729.

Positions Wanted

Wholesale Food & Processing Accountant, graduate business administration and food processing courses. Recently plant manager and treasurer of poultry processing corporation. Desires permanent position with large or growing company. Age 42. Box 6737.

Chemical Executive Available. 25 years broad administrative and technical experience in organic chemical and fermentation industries as Vice President, General Manager, Plant Manager in charge of Production, and research. Box 6761.

Chief Engineer Available. 20 years electronic manufacturing. Heavy experience customer contacts, application engineering, cost estimates. Can bring small staff and add product line if desired. Box 6762.

Latin America: Sales and advertising executive, ten years Puerto Rico, Cuba and Mexico, experienced distribution sales promotion, market and radio surveys, administration, etc., popular and ethical drug field. Presently connected but desires change. Age 32. Box 6728.

If you dropped dead??? Or one of your key employees??? Manpower Specialist, thru aptitude and other tests, plus industrial engineering methods, can establish standards for hiring, promotion and replacement scheduling top to bottom. Help you to choose the best employees on the market and cut turnover. Side lines in industrial engineering, merit rating, job evaluation, publications and public relations. College graduate, aged 39. Box 6699.

Promotionally minded, creative, young experienced salesmen—desires connection with similar type top manufacturer. Prefer planned selling. Not interested in "order-taking" position. Box 6697.

Attorney Executive—comprehensive knowledge of business, with flair for public relations. Mink N.Y., N.J., Fed Bar. Wide experience in general practice. Thorough knowledge of investigative work, formerly with Dept. of Justice. Tactful and effective negotiator, competent administrator, desires permanent affiliation. Highest references. Box 6791, Business Week.

Idea Man—New products inventor—over 40 patents with large corporations—hardware and home appliance field. Consultation invited. Box 6743.

Sales Executive seeks change with small new manufacturer in need of man to build and develop sales territories. Proven ability—now 21 salesman for national manufacturer. Increased sales 400% in one territory alone—\$9,000 to \$30,000 in two years. Young, aggressive. Box 6747.

There's a man—creative, conscientious, im- patient to get started with forward-looking company in advertising, public relations, or sales department. Experienced in editorial work, publications, executive secretarial, and journalistic ventures. He is 31, wants to get settled in order to serve in the right organization and allow him to walk the aisle with his patient fiancée. A Boston U. grad, Journalism, M.A. in English. Box 6745.

Economist, 40, Ph.D. experienced management engineer, business forecaster, statistician, financial, sales and market analysis, desires position with corporation wishing to improve profit position. Box 6467.

Selling Opportunity Offered

Manufacturer of a safer wood preservative and material that prevents and splits of green lumber is seeking distributors serving lumber dealers and lumber mills. Box 6745.

Employment Service

Executives—Contemplating a Change? Your per- sonal requirements met through our flexible procedures, with full protection of your present position. We have the know-how and nationwide contacts to negotiate successfully for you. Details on request. Jepson Executive Service, (Est. 1939) 1087 Porter Bldg., Kansas City 2, Mo.

SPECIAL SERVICES

Low Rate Life Ins. Policy Loans, 2 1/2-3 1/2% per year. Your present loan transferred promptly from any bank or Life Ins. Co. Henry Lederer, 434 So. Catalina St., Los Angeles 5, Calif.

When you plan your visit to Britain, write to Fairway Motors Ltd., Southampton for details of "Drive-Yourself" Automobile Renting Service.

An Office in Europe—Penny cash costs gives you complete foreign office correspondence in any language, commercial reports. Sells your products, purchase for you, conduct negotiations, find new items in your line. Grant Service Int'l. Inc., 30-22 Hobart Street, Woodside, L. I., N. Y.

Executive Offices individually designed to suit your desires, a center to fit your business. Completely furnished for efficiency and comfort. Kennel Associates, Inc., 124 E. 40th St., New York 16, N. Y.

EQUIPMENT

Special

No strikes—No Strife. The only cheap labor is good automatic machinery. Special machinery on a "No Risk Basis" for all industries. Mechaners Incorporated, Southport, Conn.

Used

Calculators, Monroe, Friden, Marchant Greatly Reduced. A-1 Cond. 1 yr. Guarantee. Monroe Electric start at \$69.50. AAA Adding Machine Co., 438 W. 38 St., N. Y. C.

BUSINESS OPPORTUNITIES

Own a Venetian Blind Laundry on protected ter- ritory basis. 50 units successfully operating. Total cost \$4750.00 on time payment plan. Ask for Booklet "Aiming at a First Year \$15,000 Profit." A. G. Laundry, Inc., 191 S. 4th St., Philadelphia 4, Penna.

Here's a Ready Made Opportunity. We offer the complete engineering drawings, patterns and designs for a line of 12 vertical and horizontal centrifugal casting machines and permanent molds. Some patents applied for all patentable. Market established 6 years. Over 200 inquiries on hand. This business can be purchased for a fraction of the engineering cost. Box 6763.

Vacuum cleaner patents available for develop- ment and exploitation. Unusual features affording outstanding performance and market ability. Box 6746.

I want to retire in a few years and would like to train a young man with money to invest in my nationally known business. Two plants in operation, 12 representatives in the U. S. Doing over 15 million yearly. Correspondence treated confidentially. Reply Box 6726.

Automatic Hot Coffee vending machines. Op- portunity to establish a 5 figure income on a nominal investment. Write Box 6725, Business Week.

BUSINESS SERVICES

McGraw-Hill Research

Completely equipped, through McGraw-Hill's 1949 Census of Manufacturing Plants and other services, to help companies—SELLING TO INDUSTRY—determine markets, rate sales territories, etc. J. C. Spurr, Director—320 W. 42 St., N.Y. 16, N.Y.

One Bottle Only

French perfume makers cut tourists off with only one bottle of each American trademarked perfume.

Some of the oo-la-la is slated to fade from the French tourist scene this summer. As of Aug. 1, when the tourist mob starts trekking home, each traveler will be limited to one bottle of each perfume bearing an American-owned trademark.

The limitation is the result of an agreement between 20 leading perfumers to follow a uniform formula under the Tariff Act of 1930. The act states that no foreign-made merchandise with a U.S. trademark can be imported without the manufacturer's permission. And practically all well-known foreign (mostly French) perfumes have been trademarked in the U.S.

• **Confusion Rampant**—Customs inspectors are glad to see the new arrangement. In the past, trademark owners have allowed a certain amount of perfumes to enter the U.S. via tourist suitcases. The trouble was, trademark owners allowed tourists anywhere from three ounces to three bottles; others placed a dollar ceiling on imports. The tangle of rules resulted in complete confusion and consequent lax enforcement.

• **Temptation**—This lack of enforcement, and the fact that \$500 worth of goods can be brought into the U.S. duty-free have tempted travelers to go heavy on perfume. Customs men say that more than twice as much ready-to-sell perfume is moving in via tourists' suitcases, as in regular commercial channels. Commercial imports run from \$4 to \$5-million annually. (That doesn't include imports of perfume concentrates bottled in the U.S.) And more than one traveler has made a fast buck selling the small bottles he bought abroad, where prices are at least 25% under those in the U.S.

• **Retailers Unhappy**—Retailers aren't happy about tourist competition. Some have found their customers asking for credit, or an exchange, on perfumes that were purchased abroad. One department store found it had three more bottles of a foreign perfume in stock than it had ever bought.

Though there's no limitation on the size of the bottle that tourists can bring home, perfumers figure that tourist imports will be cut down by the new ruling. Now, theoretically, a person could buy a quart of Chanel No. 5 (costing several hundred dollars) in one bottle instead of the popular small bottles. But since it's in one bottle, it won't be as easy to sell or give away to friends.

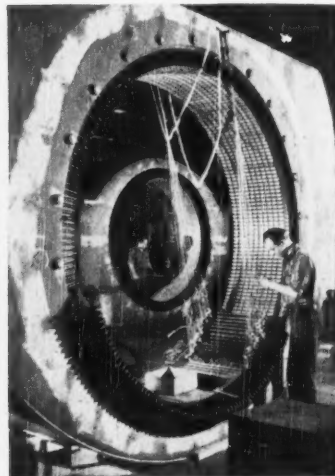
BUSINESS ABROAD BRIEFS

A Czech check for \$14,920, to pay for exhibit space at the First U. S. International Trade Fair in Chicago, has been returned. Fair officials say they don't want Czechoslovakia at a trade fair among free nations.

A Gallup poll in Britain shows that 48% of the people under 30 years of age would like to pull up stakes and settle in another country. First choice: Australia.

A Swiss firm has lost its privilege to receive U. S. goods shipped under export controls. The Office of International Trade caught Paul Wormser of Zurich transshipping chemicals to Czechoslovakia, instead of selling them in Switzerland.

Brazil's dollar-import controls cost General Electric a large television-equipment contract. The order, consisting of a transmitting station and receiving sets, has been transferred to Britain's Pye, Ltd.



Power for India's Paper

Pulp grinders in India's first newsprint mill will be powered by this 4,000-hp. electric motor. Westinghouse Electric Corp. is building two of the giant motors for the Indian mill in its Pittsburgh plant. The purchaser, National Newsprint & Paper Mill, Ltd., is being backed by India's Central Provinces government. Ebasco Services, Inc., U. S. consulting engineers working on the project, has placed the order for the two motors.

ADVERTISERS IN THIS ISSUE

Business Week—June 3, 1950

THE ADDRESSOGRAPH-MULTIGRAPH

CO. 77

Agency—The Griswold-Eshleman Co.

ALLEGHENY LUDLOW STEEL CORP. 93

Agency—Walker & Downing, General Agency

ALUMINUM CO. OF AMERICA 40

Agency—Fuller & Smith & Ross, Inc.

AMERICAN BRAKE SHOE CO. 59

Agency—Fuller & Smith & Ross, Inc.

AMERICAN MUTUAL LIABILITY INS. CO. 5

Agency—McAnn-Erickson, Inc.

AMERICAN NAME PLATE & MFG. CO. 102

Agency—Symonds, MacKenzie & Co.

AMERICAN RADIATOR & STANDARD

SANITARY CORP. 8

Agency—Hatten, Barton, Durstine & Osborn, Inc.

AMERICAN STENCIL MFG. CO. 56

Agency—Bill Bonnell Adv.

AMERICAN TELEPHONE & TELEGRAPH

CO. 80

Agency—Cunningham & Walsh, Inc.

AMERICAN TELEPHONE & TELEGRAPH

CO. 6

Agency—N. W. Ayer & Son, Inc.

APPLETON ELECTRIC CO. 48

Agency—Anthony, Moore & Wark, Inc.

ARMCO STEEL CORP. 69

Agency—N. W. Ayer & Son, Inc.

ARMSTRONG CORK CO. 54

Agency—Hatten, Barton, Durstine & Osborn, Inc.

ART METAL CONSTRUCTION CO. 92

Agency—McAnn-Erickson, Inc.

THE ATLANTIC REFINING CO. 43

Agency—N. W. Ayer & Son, Inc.

ATLAS POWDER CO. 47

Agency—The Arthur Kynett Co.

BAKER REFRIGERATION CORP. 73

Agency—Wm. B. Remington, Inc.

BAUER & BLACK DIV. OF THE

KENDALL CO. 70

Agency—Hunt, Hurst & McDonald, Inc.

BUSINESS WEEK

Agency—Ellington & Co., Inc. 80

BYRON WESTON CO. 104

Agency—Walter B. Snow and Staff, Inc.

CARRIER CORP. 35

Agency—N. W. Ayer & Son, Inc.

CHAMBERSBURG ENGINEERING CO. 94

Agency—Willard G. Myers Adv. Agency

CHEMICAL ENGINEERING

Agency—John. Mathis Lipton Co., Inc. 91

CHICAGO RAWHIDE MFG. CO. 32

Agency—Wesley Aves & Assoc.

CHRYSLER CORP. AIRTEMP DIV. 82

Agency—Grant Adv., Inc.

CLUES

CONSOLIDATED WATER POWER & PAPER CO. 67

Agency—Christiansen Adv.

CONTINENTAL CAN CO., INC. 93

Agency—Hatten, Barton, Durstine & Osborn, Inc.

COUNTRY GENTLEMAN

Agency—Lamb & Koen, Inc. 2-3

CROTTY BROS. 78

Agency—Hatten Adv. Agency, Inc.

DEARBORN CHEMICAL CO. 4

Agency—The Hudson Co.

DISTILLATION PRODUCTS, INC. 41

Agency—The Griswold-Eshleman Co.

DOW CHEMICAL CO. 63

Agency—MacMann, John & Adams, Inc.

E. I. du PONT de NEMOURS & CO. 68

Agency—Hatten, Barton, Durstine & Osborn, Inc.

EBERHARD FABER PENCIL CO. 83

Agency—Hicks & Grieb, Inc.

THOMAS A. EDISON, INC. 89

Agency—James Thomas Chirrup Co.

ERIE RAILROAD CO. 33

Agency—The Griswold-Eshleman Co.

THE ESSEX HOUSE

Agency—Needham & Goldmann, Inc. 82

EXECUTONE, INC. 50

Agency—The Joseph Katz Co.

THE FAFNIR BEARING CO. 3rd Cover

Agency—Hutton Notes Co.

J. L. FERGUSON CO. 84

Agency—Arthur H. MacDonald, Inc.

FOUR WHEELS, INC. 72

Agency—H. M. Gross Co.

GENERAL ELECTRIC CO. 88

Agency—Kynett & Eckhardt, Inc.

GENERAL ELECTRIC CO. LAMP DEPT. 18

Agency—Hatten, Barton, Durstine & Osborn, Inc.

GENERAL FIREPROOFING CO. 42

Agency—The Griswold-Eshleman Co.

GENERAL MOTORS CORP. 65

Agency—Carnegie, Ewald Co.

GENERAL MOTORS CORP. (INST.) 49

Agency—Kuhn Adv., Inc.

THE GLOBE-WERNICKE CO. 28

Agency—Rammann-Mahan, Inc.

THE B. F. GOODRICH CO. 1

Agency—The Griswold-Eshleman Co.

THE HALOID CO. 24

Agency—Hutchins Adv. Co., Inc.

HALSEY, STUART & CO., INC. 76

Agency—Doremus & Co., Inc.

HANNMILL PAPER CO. 44

Agency—Hatten, Barton, Durstine & Osborn, Inc.

HARDING-WILLIAMS 62

Agency—Sorenson and Co.

HARTER CORP. 94

Agency—Lansport, Fox, Prell & Dole, Inc.

THE E. F. HAUSERMAN CO. 29

Agency—Meldrum & Fessenden, Inc.

HOTELS STATLER CO., INC. 14

Agency—Young & Rubicam, Inc.

INTERNATIONAL HARVESTER CO. (MOTOR TRUCK DIV.) 51

Agency—Young & Rubicam, Inc.

KALMAN FLOOR CO. 31

Agency—Jones & Brakely, Inc.

KEYSTONE STEEL & WIRE CO. 36

Agency—May Adv. Agency, Inc.

LYON METAL PRODUCTS, INC. 39

Agency—Reinke, Meyer & Fint, Inc.

THE MAGNAVOX CO. 102

Agency—Doremus & Co.

P. R. HALLORY & CO., INC. 11

Agency—The Arthur Kynett Co.

MARSH STENCIL MACHINE CO. 102

Agency—Krapnick & Assoc., Inc.

THE GLEN L. MARTIN CO. 61

Agency—Vander, Duclaire & Co., Inc.

THE MASON BOX CO. 88

Agency—Howard Weston Co.

MCKEE GLASS CO. 64

Agency—Kohlsaat, MacLeod & Grove, Inc.

MIDWEST FARM PAPER UNIT

Agency—Ginsel & Foley, Adv. 83

THE MONARCH RUBBER CO. 45

Agency—H. M. Klingensmith Co.

MONROE CALCULATING MACHINE CO., INC. 7

Agency—Allen & Richards, Inc.

MONSANTO CHEMICAL CO. 81

Agency—Gardner Advertising Co.

MOHNEY PAPER MILLS CO. 62

Agency—Klaus Van Pelterson-Dunlap Assoc., Inc.

NATIONAL CASH REGISTER CO. 2nd Cover

Agency—McAnn-Erickson, Inc.

NATIONAL MOTOR BEARING CO., INC. 87

Agency—L. C. Cole Co.

NATURAL RUBBER BUREAU

Agency—Channing L. Rice Co., Inc. 97

NORFOLK & WESTERN RAILWAY CO. 53

Agency—Huck & Co., Adv.

N. C. DEPT. OF CONSERVATION & DEVELOPMENT

Agency—Bennett Adv., Inc. 66

THE OREGONIAN

Agency—MacWilliams, Cole & Weber 74

THE OSBORN MANUFACTURING CO. 52

Agency—The Griswold-Eshleman Co.

PACIFIC INTERMOUNTAIN EXPRESS

Agency—Brascher, Wheeler & Staff 96

THE PULLMAN CO. 38

Agency—Young & Rubicam, Inc.

RAYBESTOS MANHATTAN, INC. 57

Agency—Gray & Rogers, Adv.

REPUBLIC STEEL CORP. 71

Agency—Mellum & Leach, Inc.

REVERE COPPER & BRASS, INC. 55

Agency—St. Georges & Keyes, Inc.

REZDOR MFG. CO. 84

Agency—Mick & Thomas, Inc.

SAN JOSE CHAMBER OF COMMERCE

Agency—Francis J. Wank, Adv. 104

SCAIFE CO. 105

Agency—Walker & Downing, Industrial Inc.

SHAKEPROOF, INC. 11th Cover

Agency—Waldie & Briggs, Inc.

SHARON STEEL CORP. 12

Agency—Mellum & Leach, Inc.

SINCLAIR OIL CORP. 27

Agency—Doremus & Co., Inc.

SKF INDUSTRIES, INC. 103

Agency—O. S. Tyson and Co., Inc.

SPIRIT GYROSCOPE CO. 17

Agency—Chas. Lindley Beach Co., Inc.

SPINCRIFT, INC. 83

Agency—Chas. Meissner & Assoc., Inc.

STATE OF INDIANA—DEPT. OF COMMERCE & PUBLIC RELATIONS

Agency—McAnn and Assoc. 58

STONE & WEBSTER ENGINEERING CORP. 29

Agency—Harold Cabot & Co., Inc.

THE SURETY RUBBER CO. 104

Agency—H. M. Klingensmith Co.

SURFACE COMBUSTION CORP. 86

Agency—Hosmer F. Allen-Hosmer, Inc.

TRAVELERS INSURANCE CO. 34

Agency—Young & Rubicam, Inc.

UNION CARBIDE & CARBON CORP. 30

Agency—J. M. Melton, Inc.

WESTERN UNION TELEGRAPH CO. 37

Agency—J. Walter Thompson Co.

WHITE MOTOR CO. 75

Agency—D'Arcy Adv. Co.

WHITE, WELD & CO. 76

Agency—Doremus & Co.

WORTHINGTON PUMP & MACHINERY CORP. 90

Agency—James Thomas Chirrup Co.

A Peace Treaty Instead of a Truce

The new contract negotiated between the General Motors Corp. and the CIO's United Auto Workers is the product of industrial statesmanship of a very high order. The tributes it has evoked are justified.

The contract is good news not only to the parties concerned. It is a declaration of faith by the leading company of a leading industry in the continuing prosperity of our country with all that means to the western world. It is more than a great expectation—it is a positive act to help make the expectation come true.

The contract's terms with regard to duration, pensions, annual wage increases, cost of living allowances, modified union shop, health and insurance programs are unusual and generous (BW—May 27 '50, p102). Agreement was reached well short of the strike deadline between union leaders chastened by the Chrysler struggle and a company uniquely situated financially and industry-wise. As Walter Reuther has already indicated, there is no presumption that the GM formula can be applied generally. The ability of other companies to approach the standards set by particular provisions of the contract will depend on their own positions. To forget this vital fact would be to jeopardize the advances made in this unprecedented agreement. Union strategy and tactics will largely determine how good the contract is for the whole economy in the long run.

Three aspects of the contract light up murky areas in union-management relations: (1) its duration; (2) its compromise formula on the thorny union shop issue; and (3) the method of its successful negotiation.

I. Length of Contract

The annual bargaining cycle has come to be one of the big hazards overhanging the nation's economic outlook. The possibility—too often realized—of perennial strike waves combined with uncertainties about labor costs dampen business confidence and cloud business planning. Both unions and managements have fallen into the habit of regarding each year's contract as a truce point determining the positions from which next year's contract battle would be launched. And perhaps most dangerous of all, union members have given themselves up to a compulsive rhythm, leading them to expect an annual tension productive of economic gains.

The GM contract, by setting terms for five years and providing that they will not be altered, is a treaty of peace, not merely a truce. It eliminates strike causes, removes the uncertainties about labor costs, ends the need for war planning by both union and management, and breaks the annual bargaining rhythm. It is a notable advance over prevailing practices.

II. The Union Shop

The union shop issue was slated to be the next big *casus belli* on the labor front. It is a difficult matter to compromise. During the war, the National War Labor

Board worked out the maintenance of membership device. This it thrust on unions which felt that if left alone they could win the union shop, and on managements which felt it was a half-way house to the closed shop. Maintenance of membership had just about outlived its usefulness when the Taft-Hartley act knocked it in the head. That law provided that no union security contract could be negotiated unless a majority of those it would cover voted for a union shop. Unions felt that as long as they won a union shop vote, it would be a sign of weakness to settle for the paler maintenance of membership.

What loomed, therefore, after three waves of postwar bargaining that had netted wage increases and one that netted pensions, was a knock-down, drag-out fight over union security. Had GM led a resistance movement against compromise on the issue, the next bargaining round in industry would have been very stormy.

Instead, the GM formula has been worked out. The principle that employees will not be forced into the union against their will is maintained: Present employees who are not members don't have to join. Future employees may or may not make the union membership requirement a basis for refusing employment.

III. The Negotiation Method

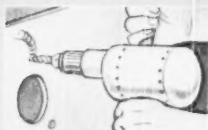
The whole contract was arrived at in an atmosphere, if not exactly novel, then certainly very rare in union-management negotiations. Intense though the bargaining was, the parties refrained from public provocation and vilification. A group of responsible men from both union and company took their responsibilities seriously and the result bears witness to mutual good will.

Underlying the whole achievement—and essential to it—was a belief both union and company had to have. The company had to be convinced that the union was here to stay, and the union had to be convinced that the company had accepted that fact. The company demonstrated its sincerity by its willingness to compromise on the union shop. Once the union had that assurance it was willing to bind itself to a five-year contract, confident that the company would not take advantage of its long-time inability to fight for new contracts as an opportunity to undermine the organization.

Certain of its position, the union responded at the bargaining table. It abandoned its deep-seated opposition to a cost-of-living flexible wage structure, backed away from its \$125-a-month pension demand. It has probably done a greater service for the cause of organized labor than it could have done by waging a successful strike for its original demands.

For its part, GM has provided leadership to American management in a field where its best efforts are sorely needed. The company also has a right to congratulate itself on making a very satisfactory bargain. The rest of the business community can congratulate GM.

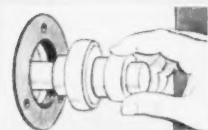
EASY TO INSTALL
NO COSTLY MACHINING



1 Provide holes in machine frame to accommodate flange cup and flange mounting bolts.



2 Slip one half of flange, with cup side facing assembler, over shaft.



3 Slide bearing and collar on shaft.



4 Slip other flange over shaft with cup side toward bearing.



5 Line up bolt holes of flanges with bolt holes on machine, slide bearing into proper position and bolt unit in place. DO NOT TIGHTEN BOLTS.



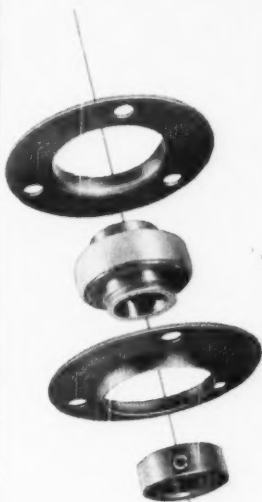
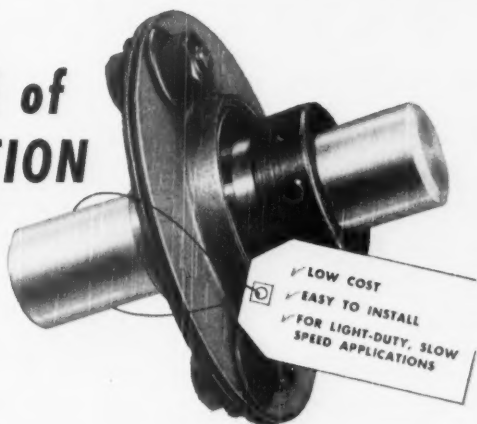
6 Repeat for other end of shaft and then tighten bolts on both ends.



7 Engage locking collar by turning in direction of shaft rotation until cam in collar drops over cam on inner ring. Continue turning until cam locks. Tighten set screw.

Now you can equip your machines with ball bearings at **NEW LOW COST**

... with
**NEW EASE of
INSTALLATION**



The Fafnir Flangette

incorporating the famous Fafnir Wide Inner Ring Ball Bearing with Self-Locking Collar

Now you can add ball bearing performance, power economy and longer bearing life to your equipment within your cost limits. A brand new, simple, low cost housing idea eliminates costly machining, makes maintenance easier. A pair of pressed steel flanges which can be bolted anywhere on your machine, provides a lightweight, compact, sturdy housing for a standard Fafnir Wide Inner Ring Ball Bearing. Curved contour of inside surface of flanges matches curving contour of bearing outer ring to provide full self-alignment when installing the unit. A twist of the collar locks bearing to shaft. Sealed both sides with Fafnir Mechani-Seals... a labyrinth design of interlocking steel plates. Write today for illustrated folder. The Fafnir Bearing Company, New Britain, Conn.



FAFNIR

BALL BEARINGS

MOST COMPLETE LINE IN AMERICA





Modern fastening devices not only
fasten better but reduce costs by
speeding assembly operations!

ASSEMBLY SAVINGS

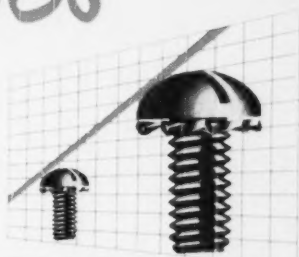
MULTIPLY QUICKLY IN MASS PRODUCTION

Through engineered fastenings and new assembly techniques, leading metal-working manufacturers are finding new ways to reduce production costs. Shakeproof Inc. has been a leader in the development of new fastening principles. Its facilities and engineering talents have produced many outstanding devices for making products perform better and cost less to manufacture. Shakeproof Inc., Division of Illinois Tool Works, 2501 North Keeler Avenue, Chicago 39, Illinois.

SHAKEPROOF

T.M. REG. U.S. PAT. OFF.

"Fastening Headquarters"



The fraction of a minute saved every time a "Sems" is driven is small in terms of unit cost . . . but in America's mass-assembly industries where Sems are used by the billions, high volume production multiplies pennies into hundreds of thousands of dollars of cost reduction.

*Pre-assembled screw and lock washer.

AMERICA'S GREAT RESOURCES PLUS A FREE ECONOMY MADE THIS BUSINESS POSSIBLE!